Daily Report

Latin America

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FBIS-LAT-91-203 *21 October 1991*

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Cuba

UN Envoy Alarcon Interviewed on U.S. Embargo

FL1810180991 Havana Radio Rebelde Network in Spanish 0006 GMT 18 Oct 91

["Excerpts" of interview with Ambassador to the United Nations Ricardo Alarcon de Quesada by Carlos Rafael Jimenez, on upcoming UN General Assembly debate of the U.S. embargo against Cuba, on 18 October in Havana—recorded]

[Text] [Alarcon] On Monday, 4 November 1991, a plenary session of the General Assembly will begin consideration of the issue of the Yankee embargo against Cuba. As you said, the Yankees in fact oppose the very idea of the issue's being considered by the Assembly. They have expressed it very clearly, from the moment that Cuba requested the discussion of the issue. They repeated their objection during the meeting of the General Assembly's Council—that is, the collective presidency of the Assembly— which is the body that makes recommendations about the various requests for discussion topics. The Council met on 18 September to draw up the agenda of topics for this year.

At that time they did not insist on a formal proposal that the issue not be included, because what they wanted to prevent was any debate or open, public discussion of this issue. They would have caused that debate to take place at that initial moment. They were convinced that they would not have had sufficient votes to prevent the issue from being included. Once the issue was included, what they have been trying to do is to frustrate the debate, to make the debate be as poor as possible. They want few delegations to participate, and they want the result of this debate to be that the assembly not make a substantive decision or approve any resolutions on the Yankee embargo against Cuba. What they want to achieve is the same initial objective they had but through other means; that is, to kill discussion.

We must be aware of the fact that at this time, in today's world, they have power that no one can ignore, and they exercise enormous influence in the United Nations, but even so we are convinced that even though it will be difficult, it will be complicated, to make the General Assembly, the majority of nations, take a firm step like voting against the United States in today's world, at the same time the Yankees will not be able to prevent what they want to prevent above all, which is to prevent the issue of the economic embargo from being the subject of open and public analysis by the international community.

Why are they determined to do this? It is not because the General Assembly has the legal power to put an end to the embargo. In fact, the Yankees put an embargo on Nicaragua some years ago, the General Assembly opposed the embargo, and (?they prolonged) the embargo against Nicaragua for as long as they wanted. They are opposed to the debate because they are afraid of the contribution these discussions in the United Nations make in terms of the international mobilization of public opinion, political parties, labor unions, organizations, well-known figures, and mass organizations throughout the world, which are a real force that they are afraid of.

I believe that we can feel satisfied because up to now we have had major accomplishments. First, we have succeeded in having the issue included in the Assembly's agenda. Second, the issue is going to be considered and discussed on 4 November. Third, there is the fact that throughout the world a movement has developed, and I am sure it will grow. This movement has gained importance, and I hope it will multiply, grow, and be reflected more and more in public demonstrations like the various ones which have taken place in front of the UN building, and in positions among many people in many places denouncing and condemning the embargo. I hope this will create an ever broader-based and stronger movement which will make it more and more difficult for U.S. imperialism to continue its policy of the embargo or even intensify it, as it is trying to do now.

What would happen if the embargo against Cuba were lifted? Well, I think that if the embargo against Cuba were lifted this would make it possible for our country to act in the economic and trade sphere with other countries. We have to realize, and we must not forget, that the embargo not only means that the United States as a country does not have trade and economic relations with Cuba. That is one aspect of the problem. In fact, the Yankees with great hypocrisy say that this matter is a bilateral issue between Cuba and the United States. That is not really true. The main thing about the embargo, what hurts us the most, is the policy the United States is carrying out throughout the world of restrictions, regulations, pressures, and threats against other countries, companies from other countries, so that they will not trade with Cuba.

In other words, if there were no embargo, it would be easier to sell our nickel. Today there are capitalist companies from other countries—not the United States, outside the United States—which, when they want to buy nickel, have to think twice because they know if their products or their machinery is manufactured containing Cuban nickel, the United States will prevent it from being exported to the U.S. market. I could give many similar examples.

If there were no embargo, Cuba really would not have any problems, because it could trade and develop its economic ties with the entire world, including the United States, of course. We could then see if it would be good, if it would be in our best interest, if they offer more favorable prices, if it is more suitable... [changes thought] That is another aspect of the problem, because for a while now the United States, in spite of all its military might, in relative terms does not have the power... [rephrases] They have power in economic terms.

but they are not advancing. They have been falling behind a little, if you compare them to Japan or other countries.

Since I live in New York part of the time, I have witnessed something that is truly surprising. Everyone knows that the symbol of American capitalism has always been the automobile. This has been the classic product of U.S. industry. Now you see Japanese cars and Swedish cars everywhere in the United States. More Japanese cars are sold in the United States than American cars, because they are more efficient, use less gas, are more practical, and have better prices. The same thing is true of something that is right here in front of me: the equipment reporters use: tape recorders, microphones, all the technical equipment the media uses. It is funny to see American reporters carrying Japanese equipment because the Japanese equipment is more competitive, even in the American market.

So we would have to see if it would be in our best interests to have them as our market. I think it would; because of its nearness, it would be an attractive market for Cuba. But the most important thing is that eliminating the embargo would eliminate the harassment Cuba is the victim of throughout the world because of the U.S. actions to hinder us, or limit us, or make our economic activities with third countries in other places outside the United States more difficult.

I am sure that we must be clear about the fact that the United States has already said that it would not change its policy against Cuba by a single jot. The United States not only thinks it is all-powerful, but it is also extremely arrogant. The United States will never accept what the General Assembly decides. We must be realistic based on [words indistinct] but it would put them in a very difficult position from the political point of view. I will repeat something I said at the beginning. The most important thing, in my opinion, is the mobilization of international public opinion, especially including American public opinion; the open, public discussion of the embargo; forcing them to justify it, explain why they are doing it, try to show something they cannot show, because (?this is) an unjust, criminal, illegal, etc., policy.

It puts them on the defensive and encourages mass protest and pressure to grow. On the one hand, this will make it more difficult for the Yankees in their policy against our country. On the other hand, it will generate pressure in other countries that are the object of Yankee pressures not to trade with Cuba. It will generate mass pressure for these countries not to join in the Yankee embargo against Cuba. This is very important for us.

I think above all it will swell and strengthen solidarity for the Cuban revolution, which is very necessary at this time, since it will give it a specific content, as I have [words indistinct]. I have received hundreds of messages—memos, letters, telegrams, etc.—from all over the world, especially Latin America, from people who demand an end to the embargo. This is very important because our country is living through a decisive time. We are going to continue to live through a decisive time in the near future. We need on the one hand our internal efforts to save the revolution, but we also need solidarity and support from the nations of the world. We have this. We have this, but we must mobilize and organize it, to help Cuba to save itself.

Mentions 'U.S. Secret Document'

PA2013001491 Madrid EFE in Spanish 2050 GMT 19 Oct 91

[Text] Havana, 19 Oct (EFE)—The Cuban Government has obtained a copy of an alleged U.S. secret document concerning the upcoming discussion of the U.S. commercial embargo against that nation at the United Nations, First Vice Foreign Minister Ricardo Alarcon said today.

Alarcon, Cuban representative at the United Nations, refused to provide to the press the aforementioned document to avoid reprisals to the addressee who delivered it to Cuba.

According to the Cuban official, the U.S. Government could learn which country delivered the text of the document to Cuba because it varies from addressee to addressee.

"Any discussion at the UN General Assembly on this matter (embargo) will be considered an interference in the internal affairs of the United States," states the alleged U.S. Government letter, a fragment of which was read by the Cuban diplomat.

Alarcon did not rule out that in the next few days, Cuba may publish that letter and other documents prepared by the United States, given the decision by the UN General Assembly to include the commercial embargo in its agenda during the 46th period of sessions.

David Evans, spokesman for the U.S. Interests Section in Havana, has told EFE that he is aware of the statements by Alarcon, but there is no official reaction on the Cuban revelation.

It will be difficult to censure the United States given its increasing world supremacy, but the denunciation on the commercial embargo will haunt that country like a "gypsy curse," Alarcon stated. He announced the intention of his government to promote the discussion of this matter at the UN General Assembly.

The Cuban representative to the United Nations refused to identify the Latin American governments that have expressed their support to Cuba, but he praised the position of Venezuela, Colombia, Trinidad and Tobago, Mexico, Ecuador, Bolivia, and Peru.

Alarcon stated that Cuba is now promoting the discussion of the embargo at the United Nations, because "we are facing an increase and intensification of the U.S. blockade."

Soviet Noncompliance With Agreements Criticized

PA1910021791 Mexico City NOTIMEX in Spanish 2122 GMT 18 Oct 91

[Text] Havana, 18 Oct (NOTIMEX)—Trade relations with the USSR are uncertain for the Cuban Government, as it is not expected that Soviet food and fuel shipments to the island will be stabilized in the next three months.

GRANMA, the newspaper of the Communist Party of Cuba (PCC), on 18 October published official statistics on trade with the USSR, and stressed that noncompliance by the Soviets with the delivery of shipments makes the situation in the country more tense.

The figures disclosed during the Fourth PCC Congress, which recently ended in Santiago de Cuba, show that only 38 percent of the products agreed on had arrived in Cuba by September.

Out of $1.305 billion worth of shipments received from the USSR until September, $985 million represented fuel, which is 76 percent of the total value of the merchandise shipped.

According to the official statistics published by GRANMA, the delivery of fuel shipments has been 95 percent complied with. However, a deficit of 400,000 tons seriously affected transportation and factories in the island.

Approximately 45 percent of grain for human and animal consumption and wheat flour programmed for this year have been received, GRANMA reported, citing the official figures given during the PCC Congress.

Government and party leaders are particularly worried about how the USSR will maintain its shipments until December, when the cooperation agreement between the two countries expires.

Based on the figures published by GRANMA on its front page, the outlook is not very encouraging.

For example, up to September, not a single gram of rice had been received from the USSR, and only seven percent of the condensed milk scheduled for this year had arrived.

Other products listed by GRANMA were: vegetable oil, of which 16 percent had been received; condensed milk, 7 percent; canned meat, 18 percent, powdered milk, 22 percent, fresh fish, 11 percent.

The report adds that only 16 percent of the fertilizers that the USSR agreed to ship in 1991 had been received, none of the sulphur, and only 17 percent of lumber.

The USSR's noncompliance with the delivery of products has caused an imbalance in the domestic market and, of course, a shortage of consumer products.

In addition to that, said GRANMA, the country has suffered the effects of the fall of the Socialist bloc in Eastern Europe, with which trade has almost disappeared.

The shortage of food has worsened during the past six months and discontent has grown among the population.

New Ambassador to Bulgaria on Cuban Policy

AU1610130091 Sofia BULGARSKA ARMIYA in Bulgarian 10 Oct 91 p 4

[Report on interview with Luis Felipe Vasquez, newly appointed Cuban ambassador to Bulgaria, by Ralitsa Toshirova and Lyuben Totev; place and date not given: "The Unsinkable Island"]

[Text] Mr. Luis Felipe Vasquez is the ambassador extraordinary and plenipotentiary from the Republic of Cuba to Bulgaria. He considers it a great honor to serve in a country he has always loved. In his limited recreation time, he likes to read, watch films, or go for walks. As a typical Latin American, he has a preference for the prose of Gabriel Garcia Marquez, while as a real Cuban he adores the poetry of Jose Marti.

Naturally, our first question was about his view on the withdrawal of Soviet troops.

It is my own conviction and the prevailing opinion in our country that this should not have happened without the simultaneous withdrawal of the U.S. troops from the military base on Guantanamo. Unlike the Soviet troops, the U.S. troops are stationed there against the Cuban people's will, contrary to Cuban laws, and against the principles of our government, which not only applies to the present government, but to the governments long before the revolution. The Soviet troops could not guarantee our country's independence. Nevertheless, there was something symbolic about the whole situation—a friendly army was facing the permanently aggressive actions of the United States against our country.

[BULGARSKA ARMIYA] What about the relations of the Latin American countries with Cuba?

[Vasquez] Cuba has the support of Latin America today. This support extends to the Cuban people's right to pursue its own path of development and to independently resolve its own internal problems. Despite the extensive propaganda campaigns against our country, the Latin American peoples have always realized these problems because they know from their own experience what it means to be Latin American on a continent the United States has always regarded as its property.

The question was recently discussed at various international forums. The Nonaligned Movement, for example, which was convened in Accra at the level of ministers with the participation of 96 member countries and 16 observer countries, also denounced the stand and actions of the United States on Cuba and the economic and

financial blockade against our country. It also objected to the military base in Guantanamo. Quite recently, the international community decided that the issue of the U.S. blockade against Cuba should be included in the agenda of the forthcoming UN General Assembly session.

[BULGARSKA ARMIYA] Is there any contradiction in the fact that Cuba is a socialist country and is one of the most active members of the Nonaligned Movement at the same time?

[Vasquez] Cuba has never denied its wish for integration with the Latin American states and for becoming part of a united Latin America. This is our natural geographical environment. Since Cuba joined the Nonaligned Movement as a member, it has always observed the requirement of conducting a nonaligned policy and of defending the peoples' interests by participating in the struggle against colonialism, neocolonialism, and apartheid, against imperialism and all forms of exploitation that were inflicted on the nations of the Third World.

[BULGARSKA ARMIYA] Is there any connection between the construction of a socialist society and the existence of a food rationing system in your country?

[Vasquez] No, there is no connection whatsoever. The rationing system is not a result of the goals pursued by our new society, it is just a necessity that emerged in the sixties, when the U.S. blockade became a reality, and not even a bottle of aspirin could be imported to Cuba. We could not get anything whatsoever from the United States, which used to be our traditional market. From that moment on we had to cope with the task of distributing the available goods as justly as possible. This made the introduction of a rationing system necessary.

Naturally, there are also some positive aspects about the rationing system. In addition to guaranteeing the basic foodstuffs, so that no one should starve in Cuba, the goods are sold at prices that have not changed since 1969.

[BULGARSKA ARMIYA] Let us talk about the main topical event in your country. What is expected from the forthcoming congress of Cuban Communists?

[Vasquez] The Fourth Congress was not convened because of certain topical events, but simply because the party leadership thought it was time to hold a congress. In the context of the new developments, of course, the congress is expected to deal with specific problems. It will take place in a very complicated situation and against the background of a nationwide discussion in which millions of Cubans participated and which analyzed the basic problems of our economic and social development. The congress is expected to discuss the measures adopted in the process of realizing certain shortcomings and negative trends, and it is expected to examine problems, such as the more extensive democratization of the people's government organs, the determination of the party's specific tasks, and numerous other issues related to the development of Cuban society.

[BULGARSKA ARMIYA] Is it true that the congress is expected to take place behind "closed doors?"

[Vasquez] The fact that foreigners are not invited to attend the congress does not mean that it is supposed to take place in secrecy. As a matter of fact, the country's financial situation does not permit the party to invite too many people. Even the number of Cuban delegations has been restricted.

[BULGARSKA ARMIYA] Do different currents and groups exist within the party?

[Vasquez] I am a party member myself, and I believe that I am sufficiently informed, but I have never been aware of the existence of such groups. Pluralism of ideas exists in our party, but all these ideas remain within the party, they are conceived in the spirit of the revolution and do not exceed the framework of socialism. We have no doubts whatsoever regarding our party's unity, because we have always guarded our unity like the apple of our eye. Cuba's independence and the very existence of the Cuban nation are indissolubly linked to this unity. As far as the question of a multiparty system here in Eastern Europe is concerned, this is a matter concerning the East European countries alone.

[BULGARSKA ARMIYA] Fidel Castro has been party and state leader for a long time. Is he expected to renounce his posts?

[Vasquez] Rumors on this subject have been circulating for quite some time. When he had to renounce all his posts, Fidel Castro did so. In 1959 he resigned from the post of prime minister. At this point, however, he realized that the government to which he belonged was simply manipulated by a president who subsequently refused to accept the necessary laws required for the Cuban people's sake. As a result of this, Fidel Castro resigned, and what happened? The entire population demonstrated in the streets demanding the president's resignation and Fidel Castro's return.

[BULGARSKA ARMIYA] You said that you were recently appointed to our country. Were you entrusted with a special mission to Bulgaria?

[Vasquez] Yes, with a very special mission, namely that I should contribute to the expansion of the friendly relations between the Cuban and Bulgarian peoples.

British Trade Mission Views Opportunities

Delegation Studies Bank Debt

PA2010140191 Madrid EFE in Spanish 2041 GMT 18 Oct 91

[Text] Havana, 18 Oct (EFE)—A mission from the London Chamber of Commerce and officials of the

National Bank of Cuba this week have studied ways of recovering Cuba's debt to British firms, but no specific agreements on the matter have been reached.

British business sources have said that the British delegation, consisting of representatives from 15 firms, met with authorities from the National Bank of Cuba and discussed the possibility of recovering the debt by creating mixed enterprises or through joint investment.

Businessman Michael Chambers, who heads the group, and Merilyn Potter, chief of the Latin America Section of the London Chamber of Commerce and Industry, met with Raul Amado-Blanco, vice president of the National Bank of Cuba and Lazaro Chao, director [of the international division] of the same bank.

According to a report disseminated today by Cuba's PRENSA LATINA news agency, the Cuban bank authorities were receptive to analyzing formulas, provided they include fresh money, since Cuba is facing a serious shortage of foreign currency.

Cuban officials told the British entrepreneurs that they were willing to discuss these plans, as well as amounts and discounts on the debt—the figures for which have not disclosed—in a manner acceptable to both countries.

Cuba's participation in multilateral credit organizations such as the IMF and the World Bank, and the future of Cuban trade—particularly with countries from East Europe, the USSR, and Japan—were some of the other topics discussed during the talks.

Concerning Cuba's participation in multilateral credit organizations, Cuban officials explained that Cuba pulled out of the IMF and the World Bank after 1959 because the country's interests were not being considered by those institutions, particularly by those with which the United States has veto power.

Cuban sources added that Cuba quit the IMF, but left no pending obligations, and although they could technically rejoin, it is not a priority in Cuban policy.

In the case of Latin America, the Cuban officials said that economic relations have gained strength since last July, when the Ibero-American Summit was held in Guadalajara.

The authorities have been very active recently promoting the creation of mixed enterprises and foreign investment in tourism. Virtually all sectors of the industry have suggested to the British business mission the establishment of an office to consider these possibilities.

Visit Called 'Positive'

FL1910033391 Havana Tele Rebelde and Cuba Vision Networks in Spanish 1004 GMT 19 Oct 91

[Text] The British trade mission which visited Cuba completed its assignment with satisfactory results for both countries. Segundo Abeledo, vice president of the Cuban Chamber of Commerce, asserted during a meeting with the British businessmen that their interactions promise positive, mutually beneficial transactions. The trade mission, composed of 15 prestigious firms, was organized by the Chamber of Commerce and Industry of London. During this week, contacts were made with representatives of more than 40 enterprises of [words indistinct] in the sectors of tourism, public health, biotechnology, sugar, and nickel. At the end of the meeting, Michael Chambers, head of the trade mission, discussed the issue with us.

[Begin Chambers recording] During our week here, comments from members of the trade mission have been positive. We have been able to get a better understanding of the changes that are taking place in Cuba today and its plans for the coming years. I believe that in this respect it has been very productive. [end recording]

Prior to this meeting, the British trade mission met with the Cuban Minister of Foreign Trade Ricardo Cabrisas.

Robaina on Changes Between 3d, 4th Congresses

FL1810154291 Havana Tele Rebelde Network in Spanish 1800 GMT 17 Oct 91

[Interview with Roberto Robaina, Politburo member and first secretary of the Union of Young Communists, by reporter Nuria Cepero in Santiago de Cuba, date not given—recorded]

[Text] [Cepero] The direction that the revolution's program will take within the context of the special peacetime period generated profound debates at the Fourth Communist Party of Cuba [PCC] Congress. Robaina, beginning with the program approved at the Third PCC Congress, what are the essential changes introduced by the resolution that was approved by this congress?

[Robaina] Well, I would say that the essential change introduced in the resolution that the congress just debated, in my opinion and in the opinion of all those who participated in the debate, is the ability that we think this program must have to adapt to the situation the country is experiencing, especially the ability to include in the text—which was not written for the long term but for the medium term—the experiences gained from the rectification process, which is so closely related to the important processes the country has recently been experiencing. I would add that the essential changes lie precisely in incorporating those experiences and making the program better reflect the reality our country is experiencing and our current situation.

The historic roots of the program and the party to which we all belong and currently represent are upheld as fundamental principles. I would say that the essential change is the change in the international context within which the previous program was written. In my opinion, another fundamental change in this congress consists of the profound analysis of the economic proposals debated in the previous congress. These economic proposals, as is

well known by our people and as was also discussed during the congress, have experienced important modifications and have benefited from important contributions from our current experience. One of the most relevant contributions was to emphasize in this program the role which sectors as important as science, art, and culture, have in times likes these.

[Cepero] Robaina, to what extent did the debates in the congress enhance the spirit and the letter of this resolution?

[Robaina] I believe that the process of discussions conducted by the provincial delegations prior to the congress provided a vital enhancement of the letter of the draft resolution that we discussed. That was the first time the delegates encountered the resolution and made important modifications to it, including changes to the text and adding important topics to it. The text was rewritten and then submitted to the congress as a draft resolution including all these changes and guidelines. I believe that the most important contribution of the debates was not so much the changes made to the text which was approved, but rather the understanding of the letter of the resolution by all who participated at the meeting. There is no doubt that the press and word-of-mouth also helped us to disseminate the letter of the resolution, which really we all share.

I believe that the biggest challenge lies ahead. No matter how closely we may follow a program—although this does not apply in this case—no matter how well drafted it may be, it will be meaningless unless we are capable of internalizing it. I said, and it was debated in the congress, that there is no beauty, there is no exact or literal expression, which this program or its guidelines might contain, and which would be effective, if we do not attain the most beautiful goal, which in my opinion is that all of us internalize what is needed. Whatever we write so well, whatever we organize so well in paragraphs, we should make a part of our daily life, which is our major problem, in my opinion. We have no problems when we conceive of something. We have no problems when we define guidelines. Our problem is turning these guidelines into a reality in our everyday lives. This is what gives us the most problems. I believe this is the challenge that has begun with the congress, or rather, that will begin once the congress ends.

[Cepero] Robaina, in your opinion, what will the basic traits be that should characterize the program that will be developed based on this congress?

[Robaina] I believe that the basic characteristics are within the draft resolution which was conceived exactly as that, simply as a group of elements and basic concepts that would permit the creation of a draft program. Better yet, rather than a draft program, we had tried to establish program guidelines for the revolution in present times, or the program of the party in the work of the revolution in present times. This concept aims to define a course, to give the new Central Committee the task of putting it down on paper and submitting it for the consideration of all party members, and to have it definitely approved within a one-year period. I believe that these characteristics must be ...[rephrases] What defines the concept is first of all that it must clearly establish the basic principles and the socialist course of our party and our work. Once the course is clearly defined and our historic foundation is clearly recognized, I believe the most vital characteristic is to reflect the times we live in, to ensure that this program and these elements reflect the times in which we are destined to perform our work. I believe we are challenged to reflect our times in the midst of what probably are the most difficult conditions the country has experienced in many years.

I would say we have to give guidelines for the special period, guidelines for a phase, but in my opinion the discussion itself, the process itself of preparing for the congress, shows that our people have enough ability to adapt and grow with the times that here we have [words indistinct]. I think that reflecting this work and doing this work which in these days we have had the chance to consider, reflecting this work in a text and some guidelines, and succeeding in having all our base-level organizations take these guidelines to heart, make them a reality, is what we are aiming for. I think that is the characteristic stamp of what we must do in these times.

[Cepero] Roberto Robaina, the first secretary of the Union of Young Communists, a young man, chaired the discussion of one of the resolutions that were discussed here. I think this is a vote of confidence that the party leadership has given to the new generation. What do you think about this? How did you feel as you chaired the discussion?

[Robaina] Well, look, in the first place, I agree that ...[rephrases] I really understand the extraordinary vote of confidence this meant. At the beginning of the discussion I even said this in a few brief words. That is, I certainly thought I was not the best person to chair the discussion. What I was sure of was that I had been the one assigned to chair the discussion and there was no alternative, so I took it as a challenge. But I think the most important thing is not to think about whether Robaina did this or not. I think the most important thing is to think that a generation has been given this vote of confidence.

I think a vote of confidence is also given when there is work that is being done and this vote is made. I think that the party leadership simply has confidence in this generation, which is not only ...[rephrases] which does not only exist thinking that we are the future, but rather I think we are also present in work that we have striven to participate in and contribute our little grain of sand. I do not think we do not have the leading role in this work, and we have never proposed this. I think that what we want is just that in work like this, which is being done at this time ....[rephrases] I think we have the ability to continue to contribute, or continue to build on the experience of those who have conceived of and done this

work, and to add the strength and enthusiasm of those of us who now have the responsibility of leading and representing an important sector of the population.

I think we must see that the one who chaired that discussion, rather than being Robertico, was a young generation raised by the revolution; a generation that has talent, knowledge, education, culture; a generation that was in Angola and Ethiopia. I would say that just as the new generation chaired that discussion, the new generation of young scientists chaired the congress during a considerable time. In my opinion, for me that is the most important aspect of what we discussed, at least with respect to what I have done. But we must see it like this. In accepting it as a trust, a commitment, I think that we cannot fail this trust in any way. I think we must interpret it. I think it is a faithful reflection of the role our young people have earned in the trenches, and we feel very privileged to have the chance to share these trenches with people who, even though they have gray hair, continue to contribute important things to the work of the revolution.

[Cepero] We thank Comrade Roberto Robaina, the first secretary of the Union of Young Communists, for this interview he has given to Cuban television about the resolution on the PCC program which was approved at this Fourth PCC Congress.

Reportage Following 4th PCC Congress

Commentary on Economic Strategy

PA1810180391 Havana Radio Havana Cuba in Spanish 1400 GMT 18 Oct 91

[Commentary by Roberto Morejon]

[Text] Cuba is currently living in a decisive moment of its life as a nation because of the U.S. attempts to isolate it, the sudden interruption of trade with the formerly socialist countries, and the problems with its ties to the Soviet Union.

Cuban authorities are aware of the high degree of uncertainty regarding whether or not many consumer goods will arrive in the next months, as was agreed on with the Soviet Union last December. The Communist Party of Cuba [PCC] has outlined an economic strategy to face such problems. It has solid foundations, but will require time in order to work.

In the meantime, the country needs leaders who are capable of firm, audacious, and dynamic leadership. These characteristics are found in the members of the new PCC Central Committee, which has 225 members who were elected during that organization's last congress.

The group was created with the duty of directing whatever each situation may require at every moment. In light of these duties, the Central Committee was granted extraordinary powers to act in accordance with the situations the country may face. The new PCC Central Committee has the ability and authority to make political and economic decisions and to promote laws and state actions in accordance with the apparently adverse evolution of events in the material field.

There are 126 new members of the recently created PCC Central Committee, if we compare it to the PCC Central Committee elected at the third congress held in 1985. Hundreds of supporters formed the original list of pre-candidates. All sectors of the party and society were represented. They presented such an immaculate record of services for the revolution that the population approved the list in assemblies held for that purpose.

The members of the new PCC Central Committee have an average age of 47; 20 percent have been in the party 15 years or less. Only 23 of the 100 members of the first Central Committee elected in 1965 are on the committee. The change sought to harmoniously integrate representatives of three Cuban generations: historic, intermediate, and younger.

Comment on Reform Recommendations

PA2010145691 Havana Radio Havana Cuba in Spanish 1400 GMT 19 Oct 91

[Commentary by Roberto Morejon]

[Text] The Communist Party of Cuba [PCC], as the governing institution of society, has made a series of recommendations and suggestions on perfecting the country's government organizations, which are known collectively in Cuba as the People's Government.

The most important proposal is the election by direct vote of deputies to national and provincial assemblies, even though it was made clear that only the parliament, as the highest government organization, will determine definite legislation on this issue.

Included on the list of recommendations is an increase in the authority of electoral commissions, which is designed to eliminate formal procedures that are basically present in the way the People's Government assemblies and the election of its executive organizations are set up.

Among the suggestions made at the recent Fourth Congress of the PCC, the need to continue to assess possible changes to the Constitution of the Republic should be pointed out. The strengthening of the role played by the delegates at the district level, that is, at the grassroots level, is another objective proposed by the PCC, along with an increase in the participation of the people in the decisionmaking process.

The changes that have been proposed, which the parliament will either adopt or reject, point toward democratization of government mechanisms 15 years after the People's Government structure went into effect. The delegates to regional governments are elected based on

personal merit, but without resorting to electoral campaigns. Their neighbors know better than anyone the qualifications of members of the community.

However the routine and lack of authority, as well as some socialist experiences have adversely affected the conception and daily work of the People's Government.

Some time ago, voters hinted at the possibility of making changes in these organizations. The changes will materialize in the near future, after an in-depth analysis by the parliamentarians. Undoubtedly, the transformations will take root in the dynamics of our society and will strengthen the citizens' political power.

Comment on Foreign Policy Resolution

PA1810181891 Havana Radio Havana Cuba in Spanish 1400 GMT 17 Oct 91

[Roberto Morejon commentary]

[Text] The Latin Americanist direction of Cuba's foreign relations policy was established at the Fourth Cuban Communist Party [PCC] Congress, which recently took place in Santiago de Cuba. More than 1,700 delegates ratified Cuba's call for integration and cooperation with the rest of Latin America. This position is aimed at shaping the agreements adopted during the First Ibero-American Presidential Summit.

In effect, the Cuban Government has decided to offer preferential treatment to Latin American investors in hopes of propitiating the process of economic equality with the region. Cuba is open to foreign investment proposals that will be studied carefully to accept those investments that guarantee fair profit sharing.

The discussions that have taken place with regional representatives honor the fixed commitment to extend a primary role to Latin American countries in the negotiations that may eventually lead to possible economic agreements.

As was pointed out by the Fourth PCC Congress resolution on foreign relations, the regional and subregional agreements signed in our hemisphere are extremely important to pave the way to an increase in trade relations, and in a future stage, to prospective collateral cooperation in diverse fields of action.

Of course, Latin American integration requires an appropriate climate of peace that will create an atmosphere for the complex process of eliminating the barriers that currently exist among our countries.

The foreign policy resolution emphasized Cuba's position on the Nuclear Non-Proliferation Weapons Treaty. As is well-known, the United States claims the right to own nuclear weapons and to threaten those countries, such as Cuba, that refuse to accommodate Washington's regional strategic plans. Cuba's traditional posture has been to refuse to relinquish the use of this type of weapon while the United States threatens military intervention.

Considering regional unity, the PCC Congress adopted the decision to endorse the obligations of the Tlatelolco Treaty the day that Latin America, unanimously, decides to do likewise.

This new strategy is evidence that Cuba is capable of offering tangible gestures toward Latin American integration so that this process may not end in mere rhetoric.

Labor Leaders Support Congress Resolutions

PA2010035591 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0000 GMT 20 Oct 91

[Text] On 20 October, workers and labor leaders from the capital agreed in a meeting to send a message to Fidel Castro, ratifying their support for the resolutions and agreements made at the Fourth Congress of the Communist Party of Cuba [PCC].

The meeting was held at the Karl Marx Theater, where Alfredo Morales Cartaya, secretary general of the CTC [Central Organization of Cuban Trade Workers] in the city of Havana, referred to the main tasks that the labor movement will implement in the capital before the end of this year. He stated that the labor movement will promote the food program in the Province of Havana; a contingent of more than 3,000 workers will be organized to work in areas of Pinar del Rio; and 31 brigades of machete workers will be prepared to cut sugarcane during the upcoming harvest.

Morales announced that workers will mark the 35th anniversary of the Granma invasion by making several contributions in the areas of production and services. CTC Secretary General Pedro Ross Leal also presided over this meeting.

Provincial Pledge to PCC Goals Stressed

FL1810234991 Havana Radio Reloj Network in Spanish 2048 GMT 18 Oct 91

[Text] Fidel Ramos Perera, Central Committee member and first secretary of the Communist Party of Cuba [PCC] in Pinar del Rio Province, has pointed out the need, on the part of every Pinar del Rio resident, for generalized reflection to internalize their role in saving the motherland, the revolution, and socialism. He made this statement during a meeting of the provincial Central Committee Executive Bureau with the government, mass organizations, and administrative entities.

He added that for provincial residents, the resolutions of the top PCC event translate into accomplishing an efficient harvest, planting and harvesting 2,700 caballerias of tobacco, conducting a good produce harvest, completely harvesting the coffee crop, and polishing the service sector. He called on everyone to react more

quickly in solving every problem, particularly avoiding at all costs any agrarian losses by implementing special period measures.

Executed Colonel's Daughter Discusses Case

PA1810184391 Madrid EFE in Spanish 1757 GMT 17 Oct 91

[Text] Madrid, 17 Oct (EFE)—General Arnaldo Ochoa, executed in 1989 after he was found guilty by a military court, believed that many changes were necessary in Cuba. He believed that Fidel Castro and Defense Minister Raul Castro, his brother, were responsible for the critical situation in the island, Ileana de la Guardia said on 17 October.

De la Guardia, daughter of Colonel Antonio de la Guardia Font—who with Ochoa and two other officers were executed in Cuba on 13 July 1989—made that statement on 17 October during an interview for Radio Nacional de Espana (RNE) in Paris.

Ochoa, De la Guardia Font, Jorge Martinez Valdes, and Amado Padron Trujillo were sentenced to death by a special military court that found them guilty of high treason, drug trafficking, and political disloyalty.

According to Ileana, the objective of that trial was to "eliminate any suspicion of Cuba's links with drug trafficking through the government and eliminate a number of high-ranking individuals within the Armed Forces who disagreed with the way the country was being governed and who could be a problem for the government."

Ileana said that Ochoa was "very popular, he thought that the country's leadership was inefficient, and that Fidel (Castro) and his brother were responsible for the economic problems and shortages the people were facing.

Regarding her father, De la Guardia told RNE that he was director of the MC Department [department responsible for finding ways to counter the U.S. embargo against Cuba] of the Interior Ministry, which was in charge of obtaining foreign exchange through commercial enterprises to counter the economic embargo imposed on Cuba by the United States.

Ileana de la Guardia said that the MC conducted "illegal operations abroad and legal operations inside Cuba, authorized by the top leadership."

Antonio de la Guardia, according to his daughter, "believed that the situation in Cuba was very difficult, and that specific measures had to be adopted to improve the economy."

Ileana and her Argentine husband Jorge Masseti, who worked in the Latin American Department of the Central Committee of the Communist Party of Cuba, left Cuba one and a half years after the executions.

Ileana told RNE that during the days of the trial, she contacted Nobel Literature Prize laureate Gabriel Garcia Marquez, whom she knew through her father, and asked him to intercede to prevent the death sentence.

She said that Garcia Marquez told her that he was convinced that the trial against her father was unjust and that he promised to talk with Castro. "However, some time later I learned that Garcia Marquez justified the executions during a trip to Europe," Ileana concluded.

Haiti

Honorat Cabinet Inauguration Address

FL1910023291 Port-au-Prince Radio Nationale in Creole 1300 GMT 18 Oct 91

[Report by Roland Chery on the inaugural ceremony of the ministerial cabinet at the National Palace in Port-au-Prince on 16 October 1991—recorded; italicized passages in French]

[Text] The country's prime minister issued an order on the afternoon of 16 October, appointing a ministerial cabinet which includes a number of technocrats not well known to the public, and personalities who are members of political parties. Following is a report.

[Begin recording] [Roland Chery] Two weeks after the Haitian Army overthrew President Jean-Bertrand Aristide and his government on 29-30 September, heads of state and government, Joseph Nerette and Jean-Jacques Honorat, in compliance with the 1987 Constitution and the Haitian people's democratic achievements of 7 February 1986, celebrated the inaugural ceremony of the new ministerial cabinet in the bust room of the National Palace in the presence of many political leaders, the general staff of the Haitian Armed Forces, and Haitian and foreign journalists. Let us listen to an excerpt of Prime Minister Honorat's speech on that occasion.

[Honorat] *After two long weeks of laborious and patient progress, we have now reached the conclusion of the process set in motion by the Haitian Parliament, the undeniable guardian of national sovereignty, to finalize the formation of a government to fill the institutional vacuum left by events that indeed none of us expected. Ladies and gentlemen, ministers, unpredictable fate has led us to this dangerous watershed in our national life, with the fearsome mission of gathering the scattered scraps of a nation, and turning that nation into a solid tissue worthy of regaining its former pride and dignity.*

We will not even speak of the turpitudes that have led us to the dizzying deadlock through which we have just passed. We will not speak of the categories [word indistinct] persons to blame. Finding fault is futile. As the nation's fate will in no way suffer from lack of continuity, let us forget the digressions that managed to jeopardize the country. Let us instead resolutely set to

work to enable the common interest to triumph over the petty interests of parties, to cause the collective welfare to triumph over the interests of coteries and cliques, and to return to the Haitian people new, positive reasons for living and hoping.

At this moment of the official formation of this ministerial cabinet which I have the honor of heading, I want to invite each of these parties to assess the heavy political a. d moral responsibility that we are assuming, in the presence of the Haitian people and the international community. In this time of disarray of national conscience, let us provide an example of righteousness and steadfast devotion to the national cause. In this time of decay of all ideals and the scale of values, let us do all we can to live up to the mission which has been handed us. The nation is looking at us and expecting us to be at work. The whole world is observing us and proposes to judge us. We must not fail. The government that we have formed today must be a government of virtue. May God help us!

[Chery] The provisional president of the Republic, lawyer Joseph Nerette, who did not feel well, asked the director of his private secretariat, lawyer Georges Beaufils, to read the following speech in Nerette's absence.

[Beaufils] *We have reached an essential watershed in the outcome of the institutional crisis that our country has been faced with for two weeks. You all know under what circumstances I was led to accept the heavy responsibilities that were entrusted to me by the members of the two chambers united in national assembly last 10 October. The presidential vacuum duly noted by this assembly was filled in compliance with Article 149 of the Constitution. After several days of consultation and negotiations with the most qualified representatives of the political and civil society, I appointed—with the approval of the Parliament—citizen Jean-Jacques Honorat prime minister in charge of forming the government of the Republic, in accordance with the provisions of the Constitution.*

[Chery] In this speech, the president of the country, lawyer Joseph Nerette, took the opportunity to stress the task of this government, which is to lead the country to presidential elections. [end recording]

Provisional President Hospitalized With Flu

PA1910033991 Mexico City NOTIMEX in Spanish 0157 GMT 19 Oct 91

[Text] Port-au-Prince, 18 Oct (NOTIMEX)—Government sources reported on 18 October that Judge Joseph Nerette, who was appointed Haitian provisional president following the 29 September military coup, was hospitalized today due to a viral disease

According to an official communique, Nerette, who has not participated in official activities since early this week, is sick with a "viral disease."

A spokesman of Prime Minister Jean-Jacques Honorat's cabinet said that President Nerette has the flu and therefore was hospitalized.

According to the government spokesman, Judge Nerette, 67, for some time has suffered from diabetes and heart problems.

Port-au-Prince Mayor Refuses Medical Trip

FL1910142091 Port-au-Prince Radio Metropole in French 1600 GMt 18 Oct 91

[Text] Mayor Evans Paul postponed the trip he had planned for an ambulance plane to take him to the United States for medical treatment. Evans Paul refused the opportunity offered by Haitians living abroad and by diplomats working in Port-au-Prince, believing it to be a political coup for Prime Minister Honorat masquerading as a humanitarian operation. Jean-Jacques Honorat allegedly went to bid Evans Paul farewell before the scheduled medical trip.

Argentine Newspaper Interviews Gen. Cedras

PA1710190991 Paris AFP in Spanish 1615 GMT 17 Oct 91

[Text] Buenos Aires, 17 Oct (AFP)—The PAGINA 12 (intellectual left-wing) newspaper today published an exclusive interview with Haitian coup leader General Raoul Cedras. In the interview, Gen. Cedras said that in Haiti "there is no place for American or French style democracy" and "if they attack us, we will resist." The Argentine morning newspaper claims that the interview is the first granted by the general since President Jean-Bertrand Aristide was overthrown.

During the conversation, which was in French—although at the conclusion Gen. Cedras claimed that he speaks Spanish perfectly—the officer defined himself as a "socialist" and "opposed to military power." Cedras said that he understands "the position of the OAS perfectly" and says he is willing to negotiate with them, although not for Aristide's reinstatement.

Cedras told journalist Walter Goobar in Port-au-Prince that the coup was brought about because the president "showed no signs of wanting to respect the Constitution," that Aristide "incited the people to violence," the judicial branch was not independent, and the parliament was not working." [quotation marks as received]

Cedras mentioned that Hitler "also was voted into power." He denied having a government program, but said that "of course, we do not intend to have American or French style democracy. There are principles we must respect, but there are others we must adapt." Gen. Cedras said that he understands "the position of the OAS perfectly." It is a matter of principle because, at the meeting of foreign ministers in Santiago de Chile, they had decided to condemn all coups d'etat. "Therefore, I understand that the OAS has a duty to condemn what has happened in Haiti," he added. Cedras says he is

confident that there will be no foreign military "intervention" because "the doors are open for negotiation." For such negotiation to succeed we must "set aside preconceived ideas. The position of the OAS is that Aristide must return. The position of important sectors of the country is that Aristide must not return. If no one yields in his positions, no negotiation will be possible. The result will be one side imposing its positions."

Asked about the country's situation, Cedras said that "we are not fooling ourselves. Our country has limited resources. We are a small country. If we use the Persian Gulf War as a reference for military potential, it is clear that we would never be able to resist an attack from the Americans or a multinational force."

However, he asks: "To what could an intervention lead? What would they do? Are they going to capture all the military personnel?" That is no solution, because "there will be resistance from the people on a military scale," he said. We have not declared war on anyone, but we live in a sovereign country where some things are not right and they would be better if the OAS and the international organizations would meditate the probles of fragile democracies." [quotation marks as received]

Senate Explains Position in Recent Coup

FL1910013091 Port-au-Prince Radio Metropole in French 1600 GMT 18 Oct 91

[Report on news conference by Senate representatives in Port-au-Prince on 18 October, italicized passages in Creole—live or recorded]

[Text] In a news conference this morning, the Senate of the Republic called upon the masses for understanding during the country's current political crisis. It was to explain its stance on the recent events that the Senate of the Republic met with the press. The senators explained that the state was in danger and that the Senate had to perform its constitutional duty. The senators, calling for understanding from the Haitian people, stressed that Parliament had not forfeited the nation's esteem, and while deploring the latest events, have remained aware of the population's concerns. They also asked the Army to guarantee everyone's safety.

[Begin unidentified senator recording] We want the people to understand that we were facing a situation where a process had already begun, and the ball was in Parliament's court. At that precise moment, the state was in danger. One institution had to assume its responsibility. Fortunately, the Parliament was not abolished, so it assumed responsibility. It hopes that the people will give it credit for not forfeiting the nation's esteem, because the state is safe, the state continues....[interrupted]

[Second unidentified senator] On behalf of the Senate of the Republic, we are aware of the concerns, the fear reflected in each person's face in the street. The same way we assumed our duties during the crisis, trying to save what could be saved, we are still actively performing our duties in an effort to reinstate the order and confidence which existed before the crisis. We are asking the Army to guarantee the population's safety, not only in Port-au- Prince, but throughout the country.

Rumors are influencing people to leave their homes and their belongings to go to the provinces. The people must remain calm and not let themselves become caught in traps. The president of the Senate is still negotiating with OAS. We believe that a parliamentary delegation must travel to Washington to continue negotiations. We know what the masses want and expect. The people's wishes are our wishes. We want the masses to understand the situation we were in, however, and that, guided by the Constitution, we did what we had to do. [end recording].

The Senate of the Republic intends to send a delegation to international organizations, the OAS and United Nations, with the mission of obtaining cancellation of the commercial embargo against Haiti. A parliamentary commission began preparing, on 16 October, a document containing the arguments to be presented by the Haitian parliamentarians.

Opposition to Coup Leaders Reportedly Continues

PA1910004591 Paris AFP in Spanish 2254 GMT 18 Oct 91

[Text] Port-au-Prince, 18 Oct (AFP)—The resistance against the military coup continues in Haiti. In some neighborhoods of Port-au-Prince, leaflets appeared on 18 October calling on the people to prepare for the return of ousted President Jean-Bertrand Aristide.

At the same time, reports from the city of Jeremie, in Haiti's far west, indicate that supporters of the overthrown president have held demonstrations.

Port-au-Prince Mayor Evans Paul, a loyal supporter of Aristide, has refused to leave the country to undergo medical treatment for the wounds he received while at a military prison. Paul, who has already been released, told a local radio station that the military and the coup-imposed government of interim Prime Minister Jean-Jacques Honorat were planning to politically exploit his departure from the country.

In general, the situation in Port-au-Prince appeared to be normal on 18 October. Most of the stores were opened, there was intense activity in the markets, and traffic in the center of the city was as busy as prior to the coup d'etat. Nevertheless, many Haitians interviewed in the streets said that beneath the surface, fear continues to be present.

According to accounts by residents of the capital, the soldiers have forced merchants to open their doors and transportation owners have been forced to place their buses and taxis in circulation, all in order to create an appearance of normalcy. Nevertheless, many small companies and all of the capital's schools remain closed.

Meanwhile, every day hundreds of people try to leave Port-au-Prince because they are afraid of the soldiers, who, armed with Uzi submachine guns, continue to patrol the streets. From the night of 17 October to the morning of 18 October, gunfire was heard again in various parts of the city. There has also been an increase in the reports of abuses by the soldiers, who enter homes to demand money or steal property.

Prices of products sold in the Port-au-Prince markets have increased considerably in recent days. The price of a chicken has increased by 50 percent. The cost of rice has doubled. The reason for these price increases is evident: The residents of the capital are hoarding staples while the merchants are trying to increase their profits in view of the economic boycott imposed by the international community.

Ex-Minister Links Coup With Economic Disaster

FL1910165891 Port-au-Prince Radio Metropole in French 1600 GMT 18 Oct 91

[Text] Preval government Planning Minister Renaud Bernardin considers the effects of the military coup disastrous to the Haitian economy, in view of the decisions by Haiti's former allies to break off cooperation and diplomatic and commercial relations.

In a document to the press entitled, Economy and Coup d'etat, Bernardin, living clandestinely since the beginning of the events, assesses agreements made in Haiti's favor last July in Paris to be worth $611.6 million. Among the negative effects of the coup, he lists the questioning of the national recovery effort; delay in executing the projects in progress, which will reduce production; and the freezing of balance-of-payments aid, $12 million from the United States, and FF40 million from France.

Bernardin suggests sending immediate acceptance in a letter of intention to the International Monetary Fund, which would also help open negotiations with such sponsors as Canada, the Inter-American Development Bank, the World Bank, Switzerland, and the United States, which promised to provide more than $300 million in aid. Bernardin further believes that the suspension of Haiti's international trade agreement privileges, under the U.S. Caribbean Basin Initiative, will immediately affect exports; hence, the assembly industry, which employs 30,000 people.

The United States has not yet announced the degree and harshness of the OAS-imposed commercial embargo, and is considering humanitarian exemptions for the poorest people.

El Salvador

Reportage on Peace Talks in Mexico City

Santamaria Eyes Agreements

PA1810174691 San Salvador LA PRENSA GRAFICA in Spanish 17 Oct 91 p 3

[Article by Alba Elsia Lizama]

[Text] Dr. Oscar Alfredo Santamaria, head of the Salvadoran Government delegation at the peace talks, has said that this round of negotiations will not end until a definitive cease-fire agreement is reached.

Santamaria hinted at the possibility that both parties will declare a recess halfway through the negotiations.

He said that this round of talks has a new dynamic establishing that the negotiations cannot end until final agreements have been reached.

Santamaria spoke once more about the positive spirit at the talks. He explained that only comprehensive, and not partial, agreements on the changes in the Armed Forces and the signing of a cease-fire agreement can result from this round of talks, as was established in the compressed agenda agreed upon by the two parties in New York.

He mentioned that the New York Agreements had eliminated the obstacles, and he added that this round of negotiations was progressing smoothly.

Santamaria commented on the contradictions within the FMLN [Farabundo Marti National Liberation Front], which do not contribute to the positive atmosphere at the talks. He condemned the escalation of violence by the FMLN in several parts of the capital and the attacks against the energy infrastructure, describing them as actions that question the intention of the FMLN to attain peace.

Jorge Shafik Handal explained that violence is part of the war which has not ended and what he called "military logic."

Handal said that as long as the war is not over, military logic will be in force. He later stated that if the Army launches attacks against the positions of the FMLN, we try to determine where we can attack. One does not only defend oneself by launching attacks."

UN Official on Cease-Fire

PA1910034091 Mexico City NOTIMEX in Spanish 1955 GMT 18 Oct 91

[Text] Mexico City, 18 Oct (NOTIMEX)—In Mexico City on 18 October, Alvaro de Soto, the UN mediator at the Salvadoran guerrilla-government talks, dismissed the possibility of an immediate cease-fire but said the negotiations were progressing rapidly.

During a news conference at the Mexico City hotel where the talks have been held since 12 October, De Soto asserted: "At this moment, there is no possibility of reaching an informal cease-fire that would lead to the end of the war" in El Salvador.

The informal cease-fire was proposed by the Farabundo Marti National Liberation Front (FMLN) during the talks that led to the agreement signed in New York in September.

On the seventh day of the round of negotiations, De Soto said the topic that had been most debated in the current talks was the creation of a civilian national police corps. The FMLN demands to be part of this organization.

According to the New York Agreement, the guerrillas would be able to be part of this police corps if they stopped trying to join the Armed Forces or ceased to ask for its dissolution.

De Soto pointed out that it will be difficult to wrap up the debates on the purging and restructuring of the Armed Forces and its new role in Salvadoran society during this round of negotiations.

The UN mediator reported that important advances had been made regarding the National Investigation Directorate [Direccion Nacional de Inteligencia] and the Armed Forces impunity issue.

He said the negotiators discussed at least three of the nine topics on the abridged agenda agreed on in New York: the reduction of the Armed Forces, education, and socioeconomic affairs.

De Soto said this round of negotiations will end on 21 or 22 October. The talks will be renewed at the end of this month in a place that has yet to be determined.

"In reality, these talks are not stopping; this is a recess for the parties to make consultations," he concluded.

Government Sees 'Progress'

PA2010044691 San Salvador EL DIARIO DE HOY in Spanish 19 Oct 91 p 4

[Text] Mexico City—After seven days of meetings between the Salvadoran Government and the FMLN [Farabundo Marti National Liberation Front], with the mediation of the United Nations, Presidency Minister Oscar Santamaria said on 18 October: "There will be cumulative progress" at the end of the current round of talks in Mexico.

According to Santamaria, the talks on 17 and 18 October were based on the established agenda, and there has been an advancement on the subject of the Armed Forces.

"The meeting in Mexico is advancing; although we may not reach a final agreement, there will be cumulative progress that will enable us to reach the final agreements soon," he said.

He added that the talks are moving in a "more or less acceptable direction," and that there will be some success at the end." [quotation marks as published]

Santamaria said that after the subject of the Armed Forces is covered, there will be not much left in the "abridged agenda," because other aspects, such as the constitutional amendments, are being ratified in El Salvador.

He added that there will be some economic and social aspects pending, as well as the cease-fire, adding that the delegates are already working on those subjects.

He noted that the FMLN has proposed an informal cease-fire, which calls for commitments from the government, Armed Forces, and the FMLN, and the participation of Onusal [UN observers for El Salvador].

In that regard, Santamaria said that the government will not propose anything outside the "abridged agenda" agreed upon by both sides in New York. He added that the government proposals are made within the general framework of a definitive cease-fire. He said that in that sense, the talks in Mexico are aimed at reaching the final and not partial agreements leading to a cease-fire, and giving the FMLN the necessary guarantees to join the civilian, political, and institutional life, which would bring the conflict to an end. "We are working on that," Santamaria stressed.

Defense Minister on Agreements

PA2010044491 San Salvador Radio Cadena YSU in Spanish 1800 GMT 19 Oct 91

[Report by Regina Vasquez]

[Text] Defense Minister General Rene Emilio Ponce has said that there will not be agreements in this round of talks because the FMLN [Farabundo Marti National Liberation Front] is afraid to return to civilian life.

Gen. Rene Emilio Ponce said that there will not be agreements at the negotiations being held between the government and guerrillas. He described as "regrettable" that the FMLN is bringing new proposals to the bargaining table. This action, according to him, results from the fact that the guerrillas are afraid to rejoin civilian society and discuss their demobilization and disarmament.

[Begin Ponce recording] The government representatives arrived at the bargaining table willing to begin the discussions on the definitive cease-fire. Unfortunately, the FMLN is following its own calendar, agenda, and strategy. There has not been willingness to discuss the definitive cease-fire, for one clear reason; the FMLN is afraid and it does not want to discuss its demobilization and disarmament.

The FMLN wants to continue operating as an armed group, and this is why they do not want to begin discussing the definitive cease- fire, as was established by the compressed agenda agreed upon in New York.

Obviously, some agreements must be made prior to a definitive cease-fire. That is another thing that the FMLN is doing; it is leaking confidential information on the negotiations. The FMLN is already talking about agreements.

There will definitely not be any agreements reached in Mexico. There is some consensus in the wording of the possible overall agreements that will be made. [end recording]

They want to continue with their so-called armed peace, Ponce said. He also called the FMLN proposal on a provisional cease-fire a maneuver and mockery of the New York Agreements.

[Begin Ponce recording] I think that this is a maneuver by the FMLN, which concerns me a great deal. With this new informal cease-fire proposal, the FMLN wants to mock the New York Agreements, which establish a compressed agenda that includes a definitive cease-fire. An informal cease-fire would really translate into an armed peace, and it would prolong the negotiations to reach a definitive peace. [end recording]

To accept such a proposal, represents a setback to the Caracas Agreements, which were surpassed by the New York Agreements, Ponce stated. Meanwhile, the military leader confirmed that on 19 October, Armed Forces troops dislodged members of the 4 October community from the Zacamil residential area, and he said this operation was aimed at establishing order there.

On 19 October, Ponce attended a ceremony marking the 10th anniversary of the Helicopters Group of the Armed Forces.

FMLN Commanders View Talks

PA2010002091 San Salvador Radio Cadena YSKL in Spanish 1200 GMT 19 Oct 91

[Text] Mexico City—Rebel Commander Joaquin Villalobos stated in Mexico City that the Farabundo Marti National Liberation Front, FMLN, is trying to create conditions for a democracy that would allow the masses to endorse the development of a process in which they may participate.

Villalobos said to the media that socialization for us, the rebels, does not mean we want to implement a system that has already failed. It is a matter of experimenting, creating, and [word indistinct]. He said that an economic [word indistinct]; the rule of a single party or leader; the (?rule) of the bourgeoisie or the oligarchy; and the possibility of establishing socialism in El Salvador are goals and concepts rejected by the FMLN. He added that the left must keep a cool head; adding that Latin America is [words indistinct] much faster.

Villalobos and other commanders—including Shafik Handal, Francisco Jovel, and Leonel Gonzalez—are participating on behalf of the FMLN in the peace talks which began on 12 October in Mexico City. The peace talks are being held with a delegation representing Salvadoran President Alfredo Cristiani's administration. The government delegation includes Presidency Minister Oscar Santamaria, Chief of Staff Colonel Mauricio Ernesto Vargas, and Interior Minister Juan Antonio Varela. Alvaro de Soto, a Peruvian, participates as a representative of his fellow citizen, UN Secretary General Javier Perez de Cuellar.

President Cristiani's administration and the FMLN reached an agreement in September at UN Headquarters in New York. They agreed to create a National Commission for Consolidation of Peace, Copaz, which will supervise the agreements reached in the negotiations.

Villalobos said that this is a revolution being waged under new conditions which prevail in the world; a revolution [words indistinct] cannot be done and what should be a true revolution after the failures experienced by the East European revolutionary models. According to Villalobos, the FMLN has a responsibility to assume at this historical moment; adding that the struggle for democracy and an economic [words indistinct] the revolutionary struggle and defense.

Rebel Commander Francisco Jovel said that military and police reforms, modifications guaranteeing subordination to the civilian authority, and the creation of a forum to guarantee the people's economic power are some of the elements that represent the revolution's proposals. Jovel said: What we are doing in El Salvador, including the negotiation process, is waging a democratic revolution. He and Villalobos are two of the five most important FMLN leaders, and they represent the guerrilla organization in Copaz.

According to several nongovernment humanitarian organizations, more than 75,000 persons have died in 11 years of civilian war in El Salvador—a country of approximately 21,000 square km and a population of 6 million.

Ruben Zamora on Talks

PA2010153891 San Salvador EL MUNDO in Spanish 18 Oct 91 p 2

[Text] Democratic Convergence Deputy Ruben Zamora said on 17 October that it will be very difficult to reach a cease-fire agreement at the meeting currently taking place in Mexico between representatives of the government and the FMLN [Farabundo Marti National Liberation Front].

He said that the talks may produce agreements that could reduce military activity and prepare conditions for the signing of a cease-fire agreement by the end of this year or the beginning of next year.

Zamora said that based on the New York Agreements, the cease-fire will be in effect after the negotiating process has been completed, adding that in his opinion, there are still some matters pending in the peace talks.

He said that "there is no negotiating under a cease-fire," and stressed that he does not believe that a cease-fire agreement will be reached during the current round of talks in Mexico.

Zamora said that some of the subjects on which agreements must be reached during this meeting are the Armed Forces, the doctrine and education of the military as an institution, the mechanisms to abolish the security corps, and the organization of a civil police.

According to Zamora, the negotiations are lagging behind in the economic and social aspects. In that regard, he stressed the need to reach specific agreements, so that the economic readjustment process will not affect just workers.

Taking those factors into consideration, we believe that the peace talks "must first seek political agreements and then a cease-fire," he added.

Meanwhile, Fidel Chavez Mena, leader of the Christian Democratic Party, said that the meeting in Mexico is taking place amid a climate of optimism, and that therefore specific agreements can be expected.

"There have been advancements in the negotiations, and topics related to the Armed Forces and cease-fire are being discussed," he stressed.

However, Chavez Mena said that there should be no speculation on the possibility of reaching a cease-fire agreement during the meeting.

Pacas on Delegates Status

PA1810155391 San Salvador Radio Cadena Horizonte in Spanish 1830 GMT 17 Oct 91

[Report by Mauricio Burgos]

[Text] As long as a cease-fire does not exist, the Farabundo Marti National Liberation Front [FMLN] delegates to the National Commission for the Consolidation of Peace, Copaz, will not be able to enter the country, Foreign Minister Manuel Pacas Castro stated on 17 October. For this reason, rebels are not allowed to conduct any work inside the country during the preparatory phase. Pacas Castro noted that Salvadoran laws will have to be applied to any guerrilla who returns before the cease-fire, because the rebels are outlaws.

[Begin recording] [Pacas] Keep in mind that the New York Agreement clearly states that Copaz will be created by law, and that will happen after the cease-fire.

[Reporter] Is there not a preparatory phase?

[Pacas] The preparatory phase is another thing. The political parties and FMLN representatives are working on it.

[Reporter] Will FMLN representatives be able to return to the country during this period?

[Pacas] They are outlaws; if they enter the country, they will have to bear the legal consequences. [end recording]

The members of Copaz were named last week and two work phases were established. One comes before the cease-fire and the other is after it. Meanwhile, the delegates are drafting a bill and establishing their work methods and budget. These are some of the actions preliminary to the verification work they will have to conduct, as agreed between the FMLN and the government at the New York meeting.

Armed Forces Issue Remains Obstacle

PA1810164691 San Salvador Radio Cadena YSKL in Spanish 1200 GMT 18 Oct 91

[Text] Sources close to the peace negotiations taking place between the Salvadoran Government and the Farabundo Marti National Liberation Front in Mexico City have reported that one of the most difficult issues of the meeting is the composition of the special commission that will evaluate the members of the Armed Forces within the framework of the negotiations. The meeting began on Saturday, 12 October.

The sources noted that the matter has been complicated because the guerrillas are demanding that the special commission be composed of foreigners, while the government insists that its members must be Salvadoran.

Negotiator Vargas on Violence

PA2010171991 San Salvador Radio Cadena YSU in Spanish 0130 GMT 19 Oct 91

[From the "State Your Views" program hosted by Carlos Mario Marquez]

[Text] Today we will take a look at the negotiations in Mexico. In a moment we will hear statements from Colonel Mauricio Ernesto Vargas [Armed Forces representative in the government's dialogue commission with the Farabundo Marti National Liberation Front, FMLN] made just moments ago to the Armed Forces radio service about the negotiations, which have been going on since 12 October in Mexico.

[Begin Vargas recording] We are working with the abridged [comprimida] agenda that was agreed upon in New York. The abridged agenda includes approximately 12 topics, which will be discussed in an orderly way. All topics on the abridged agenda must be discussed in order to reach an agreement that would lead to an end to the conflict.

What does this mean? It means that there will be no partial agreements on any of the topics on the abridged agenda because the agenda is a whole in itself. Either we agree on everything or there will be no agreement.

We have made progress on the issue concerning the Armed Forces. I must announce to the Salvadoran people and our audience that the FMLN has agreed to demobilize and surrender its weapons, thus putting an end to the conflict. This is making progress on the abridged agenda possible.

That is my report on the situation up to now. I would just like to ask you to have faith and hope and to realize that the negotiations are being conducted responsibly and with respect for the law and the Constitution. [end recording]

Col. Vargas also said that a note of protest was presented about the armed actions of the FMLN in various parts of the country:

[Begin Vargas recording] It was presented last night, taking into account the aspirations of the people. We are waiting for a reaction from the FMLN and a strong stand from the UN to stop this from happening again. Undoubtedly, this does not create the best atmosphere for negotiations. It creates mistrust because we say one thing and do another. Mistrust becomes greater every day and making decisions at the talks becomes more difficult. We will not be provoked into acts of violence. We are the legitimate force of the state and we will make use of force, but we will not abuse it. We have the moral and legal obligation to militarily defend our people. This aggression is coming directly from the FMLN and we must do our legal duty.

We are not giving up the military defense of our country. We are going along with the political will of our president because it is a rational and balanced way to end the conflict with the least social cost. However, if the FMLN insists on violence, then it will have to pay the cost of its militaristic adventures, which no longer have any reason to exist.

We accept the use of force, the force of reason, not brute force or the force of terrorism and indiscriminate violence. We are at the negotiating table and the force of reason must prevail, not the force of terrorism. [end recording]

FMLN Commander Answers Vargas

PA2010203991 San Salvador Radio Cadena YSU in Spanish 0130 GMT 19 Oct 91

[Interview with Commander Ana Guadalupe Martinez of the Farabundo Marti National Liberation Front, FMLN, from Mexico City, on the "State Your Views" program hosted by Carlos Mario Marquez—live]

[Text] [Marquez] Good evening, Commander Ana Guadalupe Martinez. We would like you to comment on the statements made by Colonel Vargas.

[Martinez] Good evening. First, allow me to greet the Salvadoran people. We always think of the Salvadoran people, who are closely following these events because we all hope the country will soon enter a new era of peace and progress. I would like to comment now on statements made by Col. Vargas.

We are surprised because during this entire first week of negotiations we have been discussing the issue concerning the Armed Forces. This topic was left pending after the New York talks. We have never talked about the Farabundo Marti National Liberation Front [FMLN] demobilizing and disarming. I believe he is making these statements to calm a group within the Armed Forces and some people who are against this process.

However, there is no need to say things that have not been brought up in the negotiations. What he said is not true. We have not discussed whether the FMLN is going to demobilize or disarm. The FMLN is fully aware that the weapons it now has are a guarantee that the agreements will be implemented and we will soon have a peaceful, democratic country.

[Marquez] How do you explain Col. Vargas having made such a statement, as if this represented progress in the negotiations?

[Martinez] I believe that there is a sector within the Armed Forces and one within the ultra-right wing that are very restless and are demanding that the government delegation return to El Salvador after having achieved that point. They want to make their dreams come true, and that is why Vargas has to make such statements to calm the people.

I repeat: I have been attending the negotiations from the very first day. I am part of the negotiating commission and the topic we have been discussing is the Armed Forces, and that has absolutely nothing to do with demobilizing and disarming the FMLN.

[Marquez] By the way, Commander, has any progress been made on the subject of the Armed Forces?

[Martinez] I believe we are making some progress. It is a very difficult subject. The agreements reached in New York are the bases, the foundations of a house that must be built. We are in the process of building that house. We are working on changing the armed institution of the Salvadoran state. That is why it is a slow process, but I must sincerely say that we have made progress.

[Marquez] We have heard that the talks would conclude tonight. What can you tell us about that?

[Martinez] We are working here. At this time, I am at the office working on some papers that we will continue discussing tomorrow. We understand that we will be working until 21 October. Neither of the two parties is planning to conclude now or tomorrow.

Therefore, I believe there must be some confusion. We have two topics pending on the subject of the Armed Forces: The reduction of the Armed Forces—which we plan to begin discussing tomorrow—and the organization of the new National Civilian Police, which we have not yet discussed. We believe that we will continue on 20 and 21 October.

[Marquez] Commander, here in San Salvador it has been officially announced tonight that the delegation will be returning on 21 October, take a short break, and then travel to New York. Have you heard that the talks will be transferred to New York?

[Martinez] The government might be considering it. We are not officially aware of that decision. We had planned to work until 21 October. Perhaps the government delegates are planning to take a private flight on the night of 21 October, or whenever they think is best for traveling. However, I repeat that we were planning to work until Monday—very late, if necessary—to complete discussions concerning the Armed Forces.

[Marquez] Commander, Col. Vargas also mentioned a protest being presented to the United Nations regarding what the government considers an increase in FMLN activity in the country. Can you comment on this protest letter?

[Martinez] We were handed a letter that was prepared by the government delegation and addressed to the FMLN high command in which they protested the latest operations carried out by the FMLN. According to the letter, these operations represent an increase in FMLN military activity and are a provocation to the peace process. We are preparing an answer that points out that the Armed Forces committed a provocation when it decided to carry out several military offensives in territory controlled by the FMLN. Everyone is aware that they even organized a parade in Perquin to show that they had the entire national territory under control. We have been forced to respond, which has resulted in an increase in FMLN activity, but this has been essentially defensive. It is illogical that the government should protest. Maybe we should have protested first, especially after all the operations that were carried out in Morazan, Chalatenango, the southeastern region, and even in San Salvador. They have been criminal actions initiated by repressive organizations. However, since we are at war, we believe that the government is trying to gain a military advantage and to force that advantage on us at the negotiating table. That would be absurd.

I repeat: Their protest is illogical and absurd because they started escalating the war by conducting military operations in the territory under our control. Our position has always been to stop the war once the New York agreements are implemented. To us that point marked the beginning of the end of the conflict; therefore, why continue killing each other? However, they have shown their rejection of that proposal by increasing military operations. We believe their protest is out of place considering that today we made another truce proposal that would prevent an expansion of the war....

[Marquez] Who made the truce proposal?

[Martinez] Well, the FMLN once again stated that both sides should agree to a truce. The government has insisted that it does not want a truce but a definite end to the conflict. We believe that ending the conflict is fundamental and that it will be achieved when all the issues have been discussed in negotiations. We are definitely headed in that direction, but in the meantime it is important to all Salvadorans to stop the war. On that basis we have once again made a truce offer. It is true that it would not be the final cease-fire, since we are still negotiating such issues as how the final cease-fire would be implemented, but at least we would stop shooting at each other.

[Marquez] Finally, Commander, what can you say to the Salvadoran people, who are increasingly optimistic concerning the negotiations? How much longer do you think it will be before there is a concrete peace agreement?

[Martinez] My FMLN colleagues and I believe that sometime before Christmas there should be a signed cease-fire agreement. We are making every effort to achieve this. We hope that it does not appear that negotiations have once again resulted in a stalemate. We believe that the negotiations, despite the ups and downs, have had important results. Once the agreements have been implemented we will have a new country, a country for all Salvadorans. We expect that by Christmas we will have a signed cease-fire agreement.

UN Mediator on Progress at Talks

PA2010001591 San Salvador Radio Cadena YSKL in Spanish 1200 GMT 19 Oct 91

[Text] Dr. Alvaro de Soto, UN mediator in the talks between the government and the FMLN [Farabundo Marti National Liberation Front], has stated that progress is being achieved at the talks. We are trying to develop points on agreements we reached in New York and progress has been achieved concerning the solution of certain problems, he stated. The basic rule is that there will be no agreements until everything has been approved, De Soto emphasized.

He added that progress has been achieved and some topics have been analyzed, closed, and stored in the freezer [as heard]—which is the method we are using. There are some difficult topics, but we hope that they will not be insurmountable.

The negotiations could be interrupted on 20 October and then renewed on 21 October. The participants are also studying the possibility of adjourning the meeting sometime between 25 to 27 October, when the Commission for Consolidation of Peace, Copaz—recently created to supervise the agreements— will meet in Mexico City.

Arena Not Hopeful for Peace

PA2010001891 San Salvador Radio Cadena YSKL in Spanish 1200 GMT 19 Oct 91

[Text] The government and FMLN [Farabundo Marti National Liberation Front] delegations currently meeting in Mexico City cannot achieve progress on agreements that do not abide by the framework of the New York Agreements—which was signed by the two parties in the presence of UN Secretary General Javier Perez de Cuellar. This statement was given by Arena [Nationalist Republican Alliance] members at the Legislative Assembly.

Arena Deputy Reynaldo Quintanilla Prado said that the people should not hope for a cease-fire agreement to result from these talks because the government and FMLN delegates must first discuss other topics—dealing with military doctrine and political agreements—prior to this agreement.

UN Delegation Visits Chalatenango

PA1810153991 San Salvador Radio Cadena YSKL in Spanish 1200 GMT 18 Oct 91

[Report by Jose Salomon Ayala, from Chalatenango]

[Text] A delegation sent to El Salvador by UN Secretary General Javier Perez de Cuellar has visited several towns in Chalatenango Department. The objective of the special mission is to prepare conditions so that a civilian national police force can be created. It will be the result of one of the agreements reached in New York by the Salvadoran Government and the Farabundo Marti National Liberation Front.

The delegation sent by the UN secretary general has visited towns east of the city of Chalatenango in order to observe the work being carried out there by the UN obververs for El Salvador, a spokesman for this organization reported. The UN delegation visited the towns of San Antonio los Ranchos, Guarjila, and San Jose las Flores and the Ignacio Eyacuria Community.

FMLN Commander Melendez Interviewed on Talks

PA1810165891 (Clandestine) Radio Venceremos in Spanish to El Salvador 0000 GMT 15 Oct 91

[Part 2 of interview with Comrade Colonel Jorge Melendez, alias Commander Jonas, of the Farabundo Marti National Liberation Front, FMLN, by unidentified reporter in El Salvador on 14 October—recorded]

[Text] [Reporter] Jonas, before you leave for Mexico to represent the National Army for Democracy [END] in the negotiations I would like to ask you: Why are the END military commanders represented at these negotiations?

[Melendez] The FMLN wants to ensure there is a suitable climate for the negotiations. We want to explain that we will not seek advantages for the military. This

has to lead to a truce. The military commanders are the experts who have to design that truce, the military aspect of the truce. The FMLN representatives at the negotiating table are the commanders who direct the war, the commanders who can wage war, and who direct the END.

I think that this is significant. No government military officer commanding troops has been at the negotiations. They have Colonel Vargas there, but he is a staff commander. Col. Vargas does not command any troops, he does not direct operations. He is an attache of the staff, who is available to participate in the negotiations but he does not direct the war.

There are other officers. Some of them are retired officers and officers are at the advisory level. They are not combat officers.

The FMLN can take its military commanders to the negotiations. When this can be done while war is raging, it means strength and courage is on our side in the midst of a military offensive by the Armed Forces.

The FMLN military commanders are going there in case the government has the political will to make progress or in case there are suitable political conditions that will exert pressure on the government and the Armed Forces to accept the truce and authority should be present to make specific decisions so they can be implemented as soon as possible.

[Reporter] Companero Melendez, a short while ago we commemorated the 11th anniversary of the FMLN. After 11 years of struggle and in the present historical framework, could we say that the dreams of our heroes and martyrs are being accomplished?

[Melendez] I would say that after 10 years, we can feel proud that the Salvadoran people have begun to build their own army, a people's army, a guerrilla army. We began the struggle with a few pistols and knives. We then used home-made weapons. We fought for 10 years and during this period, we moved from being a guerrilla force to a regular force; from being a force on the move, we became a force with controlled territory; from being the victim of slander from official propaganda and laws of an unjust state that wanted to destroy us and stop our development, to being at the United Nations and having the world recognize the problems of El Salvador. We are fulfilling our mission.

At this moment, I could tell the Salvadoran people and, especially our fighting commanders and fighters, that we are at the final phase of the war, that whatever we do or fail to do now will determine the future of our fatherland.

It is now that we must use the best of our courage and our decisionmaking abilities, because our weapons, our will, and our love for the country is what exhausted the dictatorship, and has caught the attention of the whole world and democratized the country. Our will and our unselfish dedication to the well-being of the country and the people are now the basis for the possibility of implementing agreements signed in New York, as well as those to be signed at the negotiating table.

I can tell our fighters and people that we can trust only our own forces. The people cannot put their trust in papers, in promises. The people may trust in the fact that we are organized, that we are aware, that we have the will and the strength to enforce respect for our dignity, liberty, and rights.

Following these 10 or 11 years, all I can say is that I am very proud of being Salvadoran, that I admire the heroic deeds of our people, and that I am happy because we are going to win.

[Reporter] Jonas, have a good trip. Say hello to Companera Ana Guadalupe Martinez and our other representatives in Mexico on behalf of Radio Venceremos.

[Melendez] Thank you, companero. My greetings to you and all the other Radio Venceremos companeros. I want to reiterate to our fighters and to our people that we will not disappoint them.

FMLN To 'Act Strongly' To Defend Negotiations

PA1910144291 (Clandestine) Radio Farabundo Marti in Spanish to El Salvador 0000 GMT 18 Oct 91

[Station commentary: "We Will Act Strongly in Defense of the Negotiations"]

[Text] The unyielding, ill-intentioned attitude of the Armed Forces High Command is the principle reason for the escalation of the armed conflict in our country. As the negotiations were taking place in Mexico City, the High Command sent all of its elite battalions and regional forces in our territories to find better positions on the battlefield and at the negotiating table.

The group of high-ranking officers who command the Armed Forces are acting contrary to the New York accords and the very spirit of the negotiations, which are intended to end the armed confrontation in this last surge. They intend to prolong the war and, in so doing, delay the signing of a cease-fire.

They want to make purging, dissolving, and reducing entire units of the Armed Forces a cosmetic process, thus ensuring that they will retain their military power and impunity under the new reality of peace in El Salvador. Proof of this is the negative and inflexible attitude that General Rene Emilio Ponce has shown about the composition of the purging commission and the Commission of Truth. These commissions will be fundamental in the timely implementation of all the agreements, especially those that refer to the Armed Forces.

The Armed Forces are fooling themselves if they believe that the National Army for Democracy [END], for internal or other reasons, is unable to carry out military

operations or large-scale actions in response to its intransigence and its operations within our territory.

Gentlemen, you are completely and sadly mistaken. Be advised that our attitude and our wish for an informal cease-fire is not due to weakness. It is due to our political conviction, in light of a military balance, to end the Salavadoran bloodshed. We will not, however, allow the executioners to act without adhering to the spirit and the letter of the agreements made during the negotiations. One can be absolutely certain that we will respond even more strongly, therefore others can completely forget about gaining even the slightest advantage.

We are prepared for the final cease-fire and peace for the people of El Salvador. Nevertheless, every END fighter will strongly defend the New York accords and the satisfactory conclusion of the negotiations.

Commentary on Possibility of Formal Cease-Fire

PA1810153891 (Clandestine) Radio Farabundo Marti in Spanish to El Salvador 0000 GMT 17 Oct 91

[Unattributed commentary]

[Text] The peace talks between the government and the Farabundo Marti National Liberation Front [FMLN] entered their fifth day in Mexico City. The two sides agreed to discuss a final cease-fire and postpone talks on an informal cease-fire. Commander Joaquin Villalobos said that the discussion of a final cease-fire does not imply discarding the possibility of an informal truce. Commander Ramon Suarez, however, said that an informal cease-fire is necessary to give the negotiations a trustworthy atmosphere.

[Begin Suarez recording] An informal cease-fire is different from a truce, from an escalation of the war, and different from a final cease-fire. We are proposing an informal cease-fire, we know verification is very difficult but we believe this to be the first step. It is like the doorway to a final cease-fire, because it would mean the acceptance of certain rules that will determine the level of political trust between the two sides.

There is an important element, which we have considered during this first meeting, and that is that the government has expressed a certain mistrust that the FMLN might use the informal cease-fire for other purposes. That, however, would remain written in history. We are proposing something very definite: Let us stop the war now. After the agreements made in New York, as Commander Jonas has said, it makes no sense to continue killing each other. What we are saying is that a de-escalation of the war is not enough. [end recording]

Alvaro de Soto, UN representative, discounted the possibility that an agreement on a final cease-fire would be reached at this meeting. De Soto also said that no agreements will be noteworthy and none will be disclosed. Emilio Lopez, the Mexican ambassador in El Salvador, said that his government was willing to help bring the two FMLN delegates to the National Commission for Consolidation of Peace [Copaz] to the Salvadoran capital. The Mexican diplomat said that his government would like this problem to be solved internally, but it will be willing if needed.

So far, no government official or Nationalist Republican Alliance member has expressed an opinion on the Mexican ambassador's statements, as they are opposed to Copaz operations in the country.

Guerrillas Attack Cristiani Coffee Plant

PA1910024591 (Clandestine) Radio Farabundo Marti in Spanish to El Salvador 0000 GMT 18 Oct 91

[Text] On 16 October, at 2100, National Army for Democracy units, using homemade explosives, attacked installations at the Oromontique Coffee Processing Plant, which belongs to oligarch Margarita Cristiani.

The processing plant is located in the southern part of Santiago de Maria, Usulutan Department. The report says the attack caused partial damage inside the plant.

Honduras

President Criticizes U.S. Envoy's Statements

PA1810202391 Tegucigalpa EL HERALDO in Spanish 18 Oct 91 p 3

[Text] The recent statements made by U.S. Ambassador Crescencio Arcos in reference to the case of high school student Ricci Mabel Martinez were termed "irresponsible" by President Rafael Leonardo Callejas yesterday. He added in an annoyed tone that if he heeded what the U.S. official said, "the contras would still be in Honduras."

Arcos said last week at the Presidential Palace that he was dismayed, perplexed, and confused because the media had revealed the results of some tests that were made in a private U.S. laboratory on the persons involved in the student's death.

The U.S. Government agreed to conduct the tests at the FBI, provided that U.S. authorities would be solely in charge of the case. This means that Honduran judicial authorities violated the agreement—apparently as a result of pressure from the Armed Forces.

Referring to the issue, President Callejas said: "This is a matter that concerns the Judicial Branch."

The president also said: "I believe that the U.S. ambassador acted irresponsibly if he spoke in those terms."

The president reasserted that, if Arcos "has become involved in Judicial Branch matters, the U.S. ambassador has acted irresponsibly."

Consulted about Ambassador Arcos' concern that the fiscal deficit has not been reduced, President Callejas

said: "Our dear and esteemed friend Arcos is the U.S. ambassador in our country. He has his own views and opinions; and if I heeded them all, the contras would probably still be in Honduras."

Ruling Party Chairman's Criticism

PA2010035891 Panama City ACAN in Spanish 1623 GMT 19 Oct 91

[Text] Tegucigalpa, 19 Oct (ACAN-EFE)—Celin Discua, president of the ruling National Party of Honduras, today criticized U.S. Ambassador to Honduras Cresensio Arcos for voicing opinions on internal political and military issues of this Central American country.

Discua told the press that Arcos, as all diplomatic officials, "are restricted on voicing opinions on situations that concern the country where they are accredited."

Arcos has had conflicts with the Honduran authorities over his opinions in favor of the demilitarization of the country, the correct application of justice, and against public corruption.

Discua's criticism is added to others against Arcos by Honduran President Rafael Callejas, and by Armed Forces Chief General Luis Alonso Discua—who is the brother of the president of the ruling party—who said the Hondurans are the ones who have to decide on their own problems.

"One cannot allow the imposition of foreign ideas," Gen. Discua said on 18 October when speaking at a Central American police meeting.

The debate between the U.S. ambassador and the high-ranking Honduran civilian and military figures is being closely followed as Washington is the main business and financial partner of the country, as well as its main military ally.

Callejas on Payment of $50 Million Debt to Mexico

PA1910040491 Tegucigalpa EL HERALDO in Spanish 18 Oct 91 p 3

[Text] President Rafael Leonardo Callejas said on 17 October that the Honduran Government will renew its payments of a $50 million debt acquired with Mexico through the San Jose Pact, the agreement by which Mexico and Venezuela supply oil to Honduras.

At a meeting of international organizations in Bangkok, Thailand, the Mexican Government committed itself, with the Central American Bank of Economic Integration (BCIE), to suspend the delivery of crude oil to Central American countries that are not up to date in their payments, which include Honduras and Guatemala.

"We have an overdue debt (with Mexico) of $50 million," Callejas confirmed.

He explained that this situation is due to the fact that the government has not been able to sell the shares of Cementos de Honduras to cancel its debt with Mexico.

However, he said he has instructed the Finance Ministry to pay Mexico out of the country's reserves.

Callejas noted that although that debt "was not acquired by his government" he will pay it "because it is the country's responsibility and a historical commitment."

President Callejas denied any knowledge of the abolishment by the U.S. Government of Public Law 480, by which Central American countries receive food supplies.

Callejas Comments on Recent Trip to Taiwan

PA1910003891 Tegucigalpa EL HERALDO in Spanish 18 Oct 91 p 2

[Report by Armando Villanueva]

[Excerpt] [passage omitted] President Rafael Leonardo Callejas has expressed satisfaction with the accords he signed with the Taiwan Government, particularly a $20 million loan that will serve to pave the highway linking Santa Rosa de Copan, Gracias, and La Esperanza. He also said that a presidential summit will study the creation of a commission to supervise investment programs between Taiwan and Central America. During his trip to Asia, Callejas met with a group of businessmen. One of them, the manager of a Thai corporation, will come to Honduras late in October to start investment projects. Callejas also visited Hong Kong, where he negotiated two investment programs. He expects to close one of them next week; it deals with $45 million to be invested in textile projects. [passage omitted]

Nicaragua

FSLN Sponsors International Solidarity Meeting

PA1910044091 Managua BARRICADA in Spanish 18 Oct 91 p 10

[Report by Gretta Paiz]

[Text] An international solidarity meeting sponsored by the Sandinist National Liberation Front [FSLN] begins on 18 October with the participation of more than 100 delegates representing Solidarity Committees of various countries which for years have supported the Nicaraguan revolution and people.

The proposal to hold the meeting emerged during the first FSLN Congress in July. In addition to making known the resolutions issued by the FSLN Congress, the delegates will discuss the current situation of solidarity, its future, prospects, and plans.

The debates will be presided over by the FSLN National Directorate.

Saul Arana, a member of the coordinating committee of the meeting and official of the FSLN International Relations Department (DRI), said the idea for the meeting emerged from the need to meet again with the solidarity committees "because of the important and significant role they have played in Sandinism's political and revolutionary life."

He stated that nearly two years after the Sandinist electoral defeat, the movement of solidarity with Nicaragua, which was inspired by the 19 July 1979 victory, continues in a large number of countries.

He said the event will be the First Meeting of Solidarity after the February 1990 election results placed the FSLN in the opposition.

Arana said the changes in Eastern Europe and the Soviet Union and the U.S. intervention in the Persian Gulf changed the international situation somewhat, "so the meeting will be an opportunity to share and study these and other aspects with international solidarity groups."

Approximately 150 delegations have confirmed their presence. They include solidarity organizations from Spain, Switzerland, France, the United States, Austria, Puerto Rico, Mexico, El Salvador, Cuba, New Zealand, Argentina, Brazil, and Canada.

Arana said that the presence of international solidarity representatives also shows that the Sandinist revolution continues to be valid.

"The changes that were made here were real and positive thanks to the solidarity shown by all these peoples who today participate in this great event sponsored by the FSLN," he stated.

Government Minister Meets Recontra Leaders

PA1910013491 Managua Radio Ya in Spanish 1200 GMT 18 Oct 91

[Text] Government Minister Carlos Hurtado met yesterday with nine recontra leaders in San Marcos de Colon, near San Rafael del Norte. The nine leaders and Minister Hurtado agreed to meet again in 10 days. The so-called Indomable [Jose Angel Moran Flores] was not present at the meeting. Meanwhile, recontra leader Dimas [Francisco Baldivia] promised to travel to Region Five to convince El Rojito [not further identified] to return the weapons that his group stole when they set up a group of police and soldiers who thought they were being summoned for peace talks.

Other sources have reported that Bigote de Oro [Alcides Rodriguez] met yesterday with one of the recompas' leaders called Moises [not further identified] at El Volcano near Yali in order to find points of mutual agreement. It was also reported that next week, Minister Carlos Hurtado plans to meet with the recompas' leaders who operate in the northern part of the country.

Ortega Threatens To Organize Armed Militia

PA1910140391 Managua Sistema Nacional de Television Network in Spanish 0330 GMT 18 Oct 91

[From the nonofficial "Extravision" newscast directed by Manuel Espinoza, former information minister under Ortega administration]

[Text] Commander Daniel Ortega, secretary general of the Sandinist National Liberation Front [FSLN], said today that the FSLN would organize people's defense militias if the Government Ministry creates the municipal police force. Amid a heavy downpour, hundreds of Diriamba residents marked the 14th anniversary of the death of Commander Pedro Arauz Palacios, a native of the municipality.

Commander Daniel Ortega Saavedra, secretary general of the FSLN; Sergio Ramirez Mercado; Commanders Henry Ruiz and William Ramirez; and Region Four deputies attended the event. UNAG [National Union of Farmers and Cattlemen] workers told the Sandinist leader that they have been threatened with eviction in 20 cooperatives in that region and the Chamorro Company workers, who were attacked a few days ago by the police, were also present. Ortega addressed those present and urged them to unite to defend the people's interests. The police should defend the poor, not the capitalists, noted the leader.

[Begin Ortega recording] The police are supposed to respect the rights of the workers, peasants, and laborers, as well as the rights of producers and businessmen. However, the police cannot take sides and now become a tool of the capitalists, the Somozists, and the vast land owners. We therefore demand that the government stop using the police in that manner and to cease sending the police against the people and against workers, because this can result in tragic incidents. [end recording]

Ortega said that if the Government Ministry attempts to create a municipal police force, people's militias will be organized.

[Begin Ortega recording] The government, through the government minister, in association with the Yankees and the CIA, want to organize this so-called municipal police force. Currently we feel we have the right to organize Sandinist militias, so as not to allow... [interrupted by applause and shouts] [end recording]

Ortega demanded that the government carry out an investigation with regard to the CIA's financial contribution to the UNO [Opposition National Unity] political campaign.

[Begin Ortega recording] We want this investigation to be very open. Yes, the UNO received money from the CIA. Who in the UNO received that money? One of them has already been mentioned—a well known CIA agent and contra director—Alfredo Cesar. It is said that there are 11 deputies in the Legislative Assembly who

received money from the CIA. To begin with, they cannot remain as deputies. [applause]

To conclude, the FSLN leaders went to the Masatepe Municipality to honor the 14th anniversary of the death of hero Manuel Sanchez. The community movement here delivered 400 property titles.

Government Minister's Reaction

PA2010024291 Paris AFP in Spanish 2022 GMT 19 Oct 91

[Text] Managua, 19 Oct (AFP)—Today Government Minister Carlos Hurtado described former President Daniel Ortega as "irresponsible" for trying to resurrect the people's militias, which disappeared after the Sandinist electoral defeat in April 1990.

At a news conference, Hurtado said that he was "surprised" by Ortega's statement, which he made during a rally at a town in the country's southeastern region. Hurtado added that he would contact Ortega today and will ask him to clarify the situation.

Ortega said on 17 October that "if the government, in complicity with the Yankees and the CIA, organizes a Somozist municipal police, we will feel we have the right to organize the Sandinist militias."

The people's militias were created by the previous government after the triumph of the Sandinist revolution on 19 July 1979 and grew in number during the confrontation with the United States.

Hurtado called a news conference today to comment on the "thoughtless, irresponsible, unfortunate, and contradictory" remarks of the top Sandinist leader.

Hurtado, former leader of the dissolved "contras," said that Ortega's statement "contradicts the peace efforts conducted by the government and also by the Sandinist National Liberation Front, which participates in the disarmament commission.

"I hope that his words do not reflect a position," Hurtado said, noting that Ortega is "questioning" the Armed Forces.

Hurtado stressed that the government "has the right to create a police corps."

Chamorro Involvement in Campaign Fraud Ruled Out

PA1810201391 Managua BARRICADA in Spanish 17 Oct 91 p 10

[Text] During his meetings in Managua with Commander Daniel Ortega, former U.S. President Jimmy Carter vowed, on behalf of Senate Intelligence Committee Chairman David Boren and U.S. President George Bush, that the CIA would not get involved in undercover funding of political parties for the elections in Nicaragua.

"The honor, promise, and trust of Mr. Carter and Senator Boren were essentially defrauded. Those men were deceived and should feel offended," Sergio Ramirez, Sandinist National Liberation Front [FSLN] deputy, stated.

Former President Daniel Ortega has already written to Jimmy Carter and Boren, asking them to explain this incident.

The U.S. magazine NEWSWEEK reported that the CIA used clandestine means to funnel at least $600,000 for the "repatriation" of National Opposition Union leaders. Eleven of these people subsequently ran for deputy and paid for their campaigns with the CIA money, the magazine stated.

National Assembly President Alfredo Cesar—one of the eleven—handed out $100,000 among his "repatriated" friends, according to NEWSWEEK revelations.

Cesar is now in Brazil. The FSLN bloc is asking for the creation of a special commission to summon Cesar to explain how he received CIA funding, in violation of Nicaraguan laws, and give the names of the other 10 deputies involved.

The sessions of the special investigatory commission must be public, the FSLN bloc noted.

Ramirez ruled out any involvement of President Violeta Barrios de Chamorro. "The publication does not mention President Chamorro; it clearly mentions Alfredo Cesar and 10 other current deputies," he noted.

Police Charge U.S. Citizen With Girl's Murder

PA2110014491 Panama City ACAN in Spanish 2252 GMT 20 Oct 91

[Text] Managua, 20 Oct (ACAN-EFE) Nicaraguan National Police announced the arrest of U.S. citizen Richard Paul Lee, who is charged with the "atrocious" killing of a 14-year old girl.

Lee is a Vietnam veteran and has lived in Nicaragua for over 15 years, police said.

The murder of Maria Jose Castrillo Pravia was discovered on 11 October, eight days after her disappearance. The incident has caused a public outcry.

The minor, who was from Managua, was found dead on a road leading to La Boquita beach resort, 60 km south of Managua. According to police, Lee is also the primary suspect in the killing of two other girls some weeks ago outside Managua.

Panama

Ford Announces Foreign Debt for Stock Swap

PA2010195991 Panama City EL PANAMA AMERICA in Spanish 20 Oct 91 p 8D

[Article by Juan M. Diaz]

[Text] Guillermo Ford, planning and economic policy minister, said Panama will adopt the system of swapping debt for stock to cancel pending debts with international credit organizations.

Ford pointed out that during his recent trip to Washington, he held talks with organizations that were interested in purchasing Panamanian foreign debt stock, which could be negotiated in such a way as to permit the payment of certain debts with credit organizations.

Reduction of the foreign debt can be achieved through this system by which a foreign company purchases stock or bonds from the debtor country and then swaps it for stock in a state industry in the process of privatization. The system also includes swapping debt for nature.

Ford pointed out that even though this type of negotiation would not entirely solve the foreign debt problem, the agreements could open the door for new investment that is necessary to ensure economic growth and accelerate the process of privatization in certain enterprises.

He said that the process will adjust at all times to the constitutional principles of public interest and that Panama has received proposals from the Nature Conservancy and the Inter-American Development Agency (AID).

Threats Prompt Increased Security for Officials

PA2010044291 Panama City EL SIGLO in Spanish 19 Oct 91 p 12

[Article by Yali Enrique Pitti]

[Text] A judicial source has told EL SIGLO that strong security measures have been implemented across the country, due to the continuous threats that international drug traffickers have made against high-ranking government officials and certain journalists.

Public Force [FP] and Judicial Technical Police [PTJ] commanders gave orders on 17 October for vehicles traveling along the main roads of the capital city to be searched. Meanwhile, PTJ agents have been searching certain homes to detect the presence of gunmen associated with drug-trafficking.

A few days ago, the Assistant Attorney General's Office learned that several Colombian gunmen from the drug cartels were in Panama. This could explain the recent execution of several Panamanian citizens, probably as "vendettas" or related to disputes over the cocaine market.

Nevertheless, the inhabitants of San Diego, Pacora Corregimiento, had the experience of finding the decomposed bodies of a couple who had been shot to death and thrown into a garbage dump.

After this incident, the FP and the PTJ have doubled their surveillance at strategic points and proceeded to search vehicles along streets and avenues. Police authorities have also been checking the personal identity cards of passengers on public buses, as this is a transport system frequently used by illegal aliens.

EL SIGLO also learned that the Institutional Protection Service has visibly increased the number of its agents, to insure the safety of President Guillermo Endara's cabinet members, who have not been immune to the threats made by the international drug-trafficking gunmen.

President Guillermo Endara, his ministers, the directors of autonomous and semiautonomous agencies, their families and close collaborators will be "super watched" during the independence day celebrations, which will take place along 50th Street. A special platform has been built from which the president and those accompanying him will salute the participants in the parade.

Every measure has been taken to prevent an attack against President Guillermo Endara or any member of his government or his family, who will also be present, along with many reporters, at the independence day celebrations on 50th Street.

EL SIGLO was informed that as of 21 October, security measures will increase along 50th Street, the Transistmian Highway, and other streets and avenues in the capital, as well as at airports and docks. This is to counter the actions of international drug cartel gunmen against journalists, citizens, and public officials.

Argentina

Official Reports Possible Cabinet Changes

PY1910011691 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2107 GMT 18 Oct 91

[Excerpt] Buenos Aires, 18 Oct (NA)—A high-ranking Government House source said this afternoon that there will be cabinet changes in November after President Menem returns from the United States .

According to this source, Foreign Minister Guido di Tella is one of the cabinet members who will be changed. Reportedly, he will be replaced by a career diplomat. The same source said: "Among those whose name is being mentioned to replace Di Tella is Carlos Ortiz de Rozas, the current ambassador to the United States."

The source added: "Di Tella does not come from Menem's inner circle and he has had disagreements with Economy Minister Domingo Cavallo. This is why they are thinking of replacing him with Ortiz de Rozas, who is respected in the United States and is President George Bush's personal friend." Another reason for replacing Foreign Minister Di Tella is reportedly "a lack of affinity with U.S. Ambassador Terence Todman."

Antonio Salonia, the only one of the cabinet members to hold the same post since Menem was installed in 1989, reportedly will also be replaced at the end of November.

Education matters will be handled at the provincial level; therefore, the Education Ministry will handle overall nonadministrative matters dealing with educational issues.

"In view of this, there are plans to appoint Gustavo Beliz, a young government secretary who, in addition to being one of the president's main [word indistinct] promoters, is the author of the administrative reform bill that promoted the establishment [words indistinct].

The source added that Justice Minister Leon Arslanian will be replaced by Jorge Maiorano. A series of recent situations have weakened Arslanian's position. According to the source, Arslanian now lacks the support of several cabinet members. The source informed NOTICIAS ARGENTINAS that "the situation of AIDS inmates hospitalized at Muniz Hospital and the problem of judges led to this decision."

The same source said Defense Minister Erman Gonzalez will also be replaced. He will be replaced by Avelino Porto, the current public health minister. The source added: "Gonzalez is blamed for not having resolved the conflictive Hipasam [Patagonian Iron Mining Corporation] and Somisa [Argentine Iron and Steel Joint Association]." The source added: "Moreover, the general idea is that he does not know much about defense matters."

The source said that Porto will be appointed defense minister. This means the post of public health minister will be vacant. "Tucuman interventor Julio Cesar Araoz has been singled out to fill this post." The source noted: "Araoz did an excellent job in Tucuman. This paved the way for Ramon Ortega's election victory, although no one believed it would be possible. This has placed him in a very good position."

The changes were reportedly discussed yesterday during a luncheon at the General Secretariat of the Presidency.

According to the same source, Eduardo Bauza, the secretary general of the Presidency, met yesterday with Arslanian, Di Tella, Erman Gonzalez, and [Interior Minister] Jose Luis Manzano to discuss current issues. [passage omitted]

Menem Denies Reports

PY1910162091 Buenos Aires TELAM in Spanish 1606 GMT 19 Oct 91

[Text] Salta, 19 Oct (TELAM)—Just after dedicating the Martin Miguel de Guemes Dam in El Tunal, Anta Department, President Carlos Menem told TELAM: "There will be no changes in the cabinet."

Thus, Menem denied news reports that indicated that at least four ministers would be replaced in November after his return from the United States.

Cavallo Discusses Economy, Other Topics

PY1910021891 Buenos Aires CLARIN in Spanish 17 Oct 91 pp 2, 4

["Exclusive" interview with Economy Minister Domingo Cavallo by special correspondent Silvia Naishtat in Bangkok "shortly before Cavallo's departure for Japan"]

[Text] [Naishtat] How did you fare with Michel Camdessus?

[Cavallo] We formally presented him with a petition for an extended facilities loan and we asked him to send an IMF mission to Buenos Aires as soon as possible in order to jointly begin work on this program.

[Naishtat] If this is so, will you be able to announce this loan when Menem goes to the United States?

[Cavallo] We do not know, but I do not want to be bound by dates. When one does this during a negotiation and the other side knows this, a number of concessions are wrested. Camdessus is very well disposed toward Argentina, however, and wants to facilitate a global solution to the debt problem. He told us that Argentina is in a position to resolve this problem.

[Naishtat] What program did you present?

[Cavallo] I prefer to disclose it in Argentina. We are in the middle of a negotiation and this is not the right moment.

[Naishtat] What are the general guidelines? What are the guidelines for growth, inflation, tax collection, fiscal surplus, and exchange rates?

[Cavallo] Concerning growth, I will tell you what I have in mind: 10 percent per year. We will not include this in the program so that I am not accused of being an optimist. Nevertheless, everything in the country is prepared for a boom in productivity. This represents an important change in what economists call the product/capital marginal ratio in keeping with the new investments that will be made in the next two years and that will have a very high return rate.

[Naishtat] And the exchange rate will remain at 10,000 [australs] until 1995?

[Cavallo] Of course. Nevertheless, we must continue working so that the inflation rate drops to less than 1 percent per month.

[Naishtat] That must still be done. Are you thinking of a small adjustment, a devaluation scale?

[Cavallo] Exchange rate adjustments produce increased inflation. If the prices remain too high, they must be reduced. The economy must operate with enough of a degree of competence and deregulation to allow extra costs to be reduced.

[Naishtat] For this to happen there are things that must still be done and there are already pressures by exporters.

[Cavallo] Devaluating the currency would alleviate the exporters' situation, but would reduce the people's standard of living. We will no longer use this mechanism. The real solution is to reduce prices and the "devaluation maniacs" will have to begin working in a different manner.

[Naishtat] We are not making a mistake then if we claim that the dollar will remain at 10,000 australs until 1995...?

[Cavallo] You are making a mistake indeed. The dollar will remain at 10,000 australs long after 1995.

[Naishtat] What deficit do you calculate for the public sector?

[Cavallo] It will be zero in 1992 and without any additional indebtedness. The only deficit that we have now involves the foreign debt interest rates; that is, the overdue payments. We must remove this deficit because, if we achieve the reduction involved in the Brady Plan, the interest rates will be reduced.

[Naishtat] What was the level of fiscal surplus on which you agreed?

[Cavallo] I cannot tell you; it is the center of this negotiation.

[Naishtat] It is rumored that it is more than $4 billion per year.

[Cavallo] You must take into account that, in the IMF negotiation program involving the April 1991-March 1992 period, the primary surplus totals $4.2 billion, of which $1.2 billion comes from privatizations and $3 billion from operational surpluses. We believe that the primary surplus level will be the same in 1992. The operational surplus level, however, will be lower because we will pay voluntary retirement and compensation costs. Privatization revenues, in turn, will be greater because we will need those funds to further guarantee our outstanding debt, thus securing the critical mass of money—about $4 billion—that we plan to obtain from the IMF, the IBRD [International Bank for Reconstruction and Development], the World Bank, and Japan.

[Naishtat] How many new unemployed people will there be in the public sector? What will the social cost be over the next three years?

[Cavallo] Whenever costs are calculated, one must consider alternatives. People are not used to an exercise that I call counter fact history; that is, to ask oneself what would have happened if another policy had been implemented. Future alternatives must indeed be compared. I sincerely believe that the program we are currently implementing minimizes the social cost. The cost would have been much greater if we continued with inflation; a high fiscal deficit; oversized public enterprises; and the current banking system. We have been criticized for the voluntary retirements and some dismissals. Nevertheless, let us take a look at the unemployment rate. It was reduced from 8.8 percent to 6.4 percent and 500,000 new jobs were created between May 1990 and May 1991. People of all social classes feel better. In comparison with any other alternative program, this program has the least social cost.

[Naishtat] The adjustment was only implemented in the national administration and in some companies. Now that it is reaching the provinces, in places where a state-owned factory provides sustenance, the program has had a much more dramatic impact...

[Cavallo] The government will avoid all injustices. Men who are now employed by a company with more personnel than necessary are not guilty. Their families are not guilty either. Nevertheless, this does not mean that others must bear the problem of an oversized enterprise. The government will pay compensation to these employees and their families for dismissal and voluntary retirement. We will also issue an employment and mortgage financing bond, for twice the amount of the compensation, to improve their labor situation. This way, unemployed workers will be able to obtain credits. Their families will have access to mortgage financing if the workers must move to another place in order to get a new job.

[Naishtat] Some IMF experts have suggested that, in case Argentina does not meet the fiscal targets agreed on for the fourth quarter of the "stand-by" [preceding word in

English], Argentina will have to ask for a waiver [preceding word in English], a dispensation for disbursement of the other installment.

[Cavallo] Argentina will not ask for any waiver [preceding word in English]. It will meet the targets. The IMF "staff" [preceding word in English] is very skeptical, but that is a negotiating strategy. Camdessus just told me that they have to be skeptical. They have to raise the Cartesian doubt for themselves because that is their way of negotiating. If that is their strategy, I accept it. Nevertheless, decisions—as the IMF directorate did in July—must be made.

[Naishtat] What are they asking from you now? New taxes?

[Cavallo] There will not be any new taxes. There will be less taxes. We will remove, among others, bank debits. We must actually achieve significant increases in collection of the IVA [value-added tax], social security, and taxes on earnings, assets, and internal revenues. We are thinking of increasing the collection by three points of the GDP. Without including the provincial and municipal taxes, the tax burden would reach 23 percent. In total, it would be 27 percent of the GDP. This tax burden is commensurate with the one prevailing in developing countries and is much lower than the one prevailing in developed countries, where it is over 30 percent.

[Naishtat] How is the negotiation faring?

[Cavallo] An IMF mission will come late this month or early next month. Afterward, it must prepare a report to the directorate and make a recommendation to discuss the issue. This recommendation must then be signed by IMF Managing Director Camdessus. At least four weeks will pass between the mission's report and the recommendation.

[Naishtat] Then, only in March will there be extended facilities?

[Cavallo] Long before, I hope.

[Naishtat] Will the creditor banks wait?

[Cavallo] They must accept our strategy of global negotiation of the debt, including delayed payments, interest rates, and the principal. This will be achieved soon when we conclude this agreement with the IMF.

Manzano Defends Cavallo; Faults Creditor Banks

PY1910232291 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2018 GMT 19 Oct 91

[Text] Buenos Aires, 19 Oct (NA)—Interior Minister Jose Luis Manzano fervently defended today Economy Minister Domingo Cavallo's performance at the IMF assembly and warned that attacks against the head of the Finance Ministry are designed by the creditor banks to prevent Argentina from joining the Brady Plan.

Manzano said that Cavallo and the Argentine mission's participation in the IMF meeting in Bangkok was a success, but that there have been attempts to minimize it because a conflict of interest [words indistinct] the foreign debt has already begun." [quotation mark as received] He added that the renegotiation is a "battle over billions of dollars," in which the international creditor banks are very interested.

In a statement to Radio Provincia, Manzano added: "Probably all this nonsense, such as the [words indistinct] went wrong or that the Brady Plan is not within Argentina's reach, falls within the framework of a plan to strengthen the creditor banks' position and weaken our country's position."

The interior minister said: "The creditor banks' strategy in upcoming months will be to attack the government, saying that it lacks social awareness or that it is weak." He added: "They are going to attack the economy minister by inventing confrontations and saying that he is not doing well in the negotiations. They are going to attack Argentina by stating that other countries will join the Brady Plan first and on better terms."

Minister Manzano said: "Brazil is trying to obtain a stand-by loan while we are concluding this phase and negotiating an extended facility loan for $3 billion."

Manzano added that materialization of this loan represents a preliminary step before joining the Brady Plan.

The minister then insisted that in this dispute, "the attack will be centered on the market economy, exerting pressure on the exchange rate and on the model that has allowed the creation of 500,000 new job opportunities since President Carlos Menem came to power."

The minister warned that "these and other weapons will be used to weaken our negotiations," but added that "Argentina will by no means yield to the pressure." Manzano said the creditor banks used this policy with "each country that has managed to join the Brady Plan" and noted that the government has "the support of the people, an economy that, for the first time in many years, is growing, and the recognition of the international community."

Manzano added: "They want us to pay billions of dollars for foreign debts in arrears, without a fair negotiation."

"We are not going to do that because there are many needy Argentines and we are not going to forget their demands."

Official on Ratification of Tlatelolco Treaty

PY2010203691 Buenos Aires TELAM in Spanish 1701 GMT 20 Oct 91

[Text] Rosario, 20 Oct (TELAM)—Foreign Ministry adviser Carlos Escude said here that Argentina may

ratify the Tlatelolco Treaty on nonnuclear weapon proliferation although "no preparations have been made yet to have the case analyzed by the national Congress."

In statements to the media in Rosario, Escude said: "The subject is being studied and the government regards it positively and with good will," although, he said, "little progress has been made yet."

Escude said: "Old Foreign Ministry officials now say that there currently exist some contextual elements that, if ratified, may suppress some problems that turned up as the result of a negative position."

However, he added that "those old officials" from the Foreign Ministry who "now think that it would be positive to ratify the treaty" also suggest "amending it, if possible, in some points that are not in keeping—not with the Argentine position—but with the evolution of technology and history."

Union Refuses To Negotiate; Workers Enter Plant

PY1810212491 Buenos Aires BUENOS AIRES HERALD in English 18 Oct 91 pp 1, 11

[Text] (DYN-NA)—Scheduled talks between government and labour leaders over the SOMISA [Argentine Iron and Steel Joint Association] conflict failed to start yesterday when the Metal Workers Union (UOM) announced its refusal to meet with officials as long as the company ignores a court order to re-open one of its two blast furnaces.

At press time last night 40 union delegates were reported inside the plant and heading towards the "Maria Liliana" furnace after an assembly of 3,500 workers decided to send 150 labour delegates into the plant—defying some 300 heavily-armed border guards—in order to maintain the normal temperature of the furnace which the government plans to shut down.

UOM national secretary-general Lorenzo Miguel expressed his support for the decision: "Our union brothers don't want to take the plant but rather guarantee that the blast furnace is not shut down, as has been ordered by the courts."

He made these statements at the Nuevo Chicago football stadium, where he participated in a rally commemorating yesterday's Peronist Loyalty Day.

Somisa trustee Jorge Triaca said yesterday in a radio interview that the closure of the blast furnace, along with the firing of 3,100 workers at the money-losing plant in San Nicolas, was necessary to make repairs and achieve efficiency.

If the defective blast furnace was re-opened, as ordered on Wednesday [16 October] by Labour Judge Alicia Ruiz, it could "destroy itself definitively," Triaca said.

Judge Ruiz said the closure of the blast furnace and the layoffs violated a labour agreement between the company and the UOM on July 26 which guaranteed blast furnace operations and job security.

But Triaca claimed that "the agreement had not been legally ratified and did not constitute a formal collective bargaining contract and was hence out of the jurisdiction of the labour court."

Likewise, Vice-President Eduardo Duhalde, speaking during an official visit to Salta province yesterday, considered that "the courts have nothing to do with industrial restructuring."

At the same time, Radical provincial deputy Marcelo Elias presented a bill yesterday in the Buenos Aires legislative assembly which would declare Triaca "persona non grata in every corner of Buenos Aires province."

In other statements made by Miguel, he announced that the union deposited 500,000 dollars yesterday morning, which is the amount Ruiz specified as necessary to guarantee the ruling to freeze the blast furnace shutdown.

A scheduled meeting between labour leaders and Defence Minister Antonio Erman Gonzalez, Triaca and Defence Planning Secretary Jorge Pereyra de Olazabal, was officially cancelled at 1pm yesterday, due to the absence of the union delegates.

"The government opened dialogue but they did not respond," Pereyra de Olazabal regretted, adding that the responsibility of setting a new date for talks, "is in their hands now."

Speaking from Santa Fe, President Carlos Menem questioned the UOM decision not to negotiate and considered that "certain labour leaders skated on legal thin ice and broke it."

Likewise, the head of state expressed his unequivocal support for Triaca, stating that the Somisa trustee "is as secure as ever" in his post.

The president ratified the government decision to streamline the state-owned steel company, contending that "there is simply no other way to carry out the reform process."

For his part, Gonzalez assured that the streamlining of the plant would proceed as planned and said that "since the union chose the legal road, so will Somisa," alluding to the official decision to appeal the injunction.

The minister repeated that the government plans to guarantee 5,500 jobs at Somisa, which will produce "the balance necessary for investment and technological upgrading."

Speaking before the Somisa workers assembly held outside the San Nicolas plant yesterday, local UOM secretary-general Naldo Brunelli urged Menem not to "personalize" the conflict.

"The President is as responsible for his words as I am for my actions," said Brunelli, refuting the President's assertion yesterday that some labour leaders had "broken the law."

Finally, Movement Towards Socialism (MAS) deputy Luis Zamora stated that "President (Carlos) Menem should immediately recall border guards and all other cogs in his repressive Somisa machine, freeze the furnace shutdown and let the workers go back to work."

International Companies Interested in Satellite

PY1910115891 Buenos Aires Radio Nacional Network in Spanish 1600 GMT 18 Oct 91

[Text] Eight international companies have expressed their interest in participating in a bid on the first domestic satellite that will cover Argentina's telecommunications for a large part of Latin America.

The proposals from each of these international companies will be opened on 31 March 1992. The preliminary selection will be announced on 10 April and the bid will be awarded to the winner in May.

Bolivia

Government Optimistic About Antitrafficking Plan

PY1810015291 La Paz EL DIARIO in Spanish 13 Oct 91 p 7

[Text] The government has good reasons to believe that the national strategy of alternative development will defeat drug trafficking in a peaceful, civilized, and irreversible manner.

This statment was made by Interior Minister Carlos Saavedra during the fourth HONLEA [Latin American and the Caribbean Drug Law Enforcement Agencies] meeting held recently in Santa Cruz.

The minister said that a comprehensive strategy is necessary in order to guarantee a successful outcome of this endeavor, for which reasonable implementation of the plan continues for the eradication of coca farms yielding surplus crops and nurseries.

He emphasized that 4,201 hectares of coca farms were eradicated during the first 9 months of 1991. Of this figure, 3,535 hectares were voluntarily uprooted, while 666 hectares were illegal farms.

In addition, 32,174 square meters of coca nurseries were also destroyed. This is equivalent to 4,665 hectares that will not be cultivated.

In addition, and of considerable significance, measures have been adopted to prevent chemicals from jeopardizing the environmental balance in drug-producing zones.

In this regard, the international community should join efforts and enforce actions to prevent risks not only for the regional environment, but also for the world environment, because drug traffickers are invading the Amazonian region, one of the planet's few natural reserves.

Saavedra said: "Our determination to end drug trafficking, despite our limited resouces, goes beyond that. In the two years of this administration, some 27 tons of drugs have been seized, 2,216 factories and 4,201 maceration pits were destroyed, and 152 tons of chemicals—used for producing cocaine—were seized."

He added: "As for the interdiction effort, I would like to once again emphasize that despite our limited resources and our pressing need to promote development, part of those meager resources have been earmarked for resolutely fighting drug trafficking."

He added that the results are reflected by the arrest of many criminals; the permanent destruction of factories and maceration pits; the seizure of raw materials and precursors; and the confiscation of vehicles, assets, and planes used by drug traffickers.

On the other hand, as has been proposed since the Cartagena summit, the Bolivian Government has begun to implement a series of actions that will allow tighter control of the sale of so-called essential chemicals used for the illegal production of drugs.

This decision was made because without such chemicals—which for the most part are not produced in Bolivia—it will be impossible to illegally produce drugs in Bolivia and in other countries of the region.

Concerning the prisons, the minister said: "We have not disregarded the physical infrastructure of detention centers. Thanks to some valuable cooperation, we could complete construction of a high security prison, fitted with modern control systems for prisoners serving sentences for drug-trafficking crimes."

"Finally, we have also fully enforced a comprehensive prevention strategy, which is not only aimed at consumers but also at fighting the production of surplus crops and the illegal trafficking of drugs.

In this regard, we continue to train CONAPRE [National Council for Prevention of Drug Abuse] personnel, journalists, teachers, and the people in general in all department capitals and in some provincial capitals.

Several educational activities have been undertaken at both the academic and informal levels.

Parties Reject Links to Illegal Financial Firm

PY1310022691 Madrid EFE in Spanish 1954 GMT 11 Oct 91

[Text] La Paz, 11 Oct (EFE)—The two major political parties rejected today any alleged links between their members and the murder of the president of a financial agency charged with laundering drug money.

The attorney, relatives, and creditors of Nelson Arevalo, chairman of the Arevalo Services Firm [Finsa], delivered to Congress and to the press a tape recording of conversations about bribes for the legalization of five real estate agencies acting as financial agencies and the closure of 30 other real estate agencies.

They said that the conversations were held between Arevalo, his alleged adviser Franklin Anaya, alias, Panka, who is an opposition Nationalist Revolutionary Movement [MNR] deputy, and Maria Eugenia Escobar, the daughter of Banks Intendant Jaime Escobar.

The newspaper LA RAZON published part of the conversation mentioning delivery of $300,000 "for the Nationalist Democratic Action [ADN] campaign and for the authorities responsible for approving a regulation that will favor the legalization of the real estate agencies."

Finsa and 35 other real estate agencies carry out illegal financial activities in the country. Despite this, they have collected a large quantity of money in time deposit accounts.

ADN congressional leader Gustavo Moreira said: "There is a clear and disloyal game aimed at tarnishing the ADN's image." He also reported that a slander charge was filed against the accusers.

MNR leader Gonzalo Sanchez de Lozada stated that he will talk with Anaya before making a decision. Anaya will run for mayor of Cochambamba, which is in the center of the country.

Jaime Escobar will ask for leave from his job to begin his defense. Escobar and his daughter Maria Eugenia stated that they will not make statements until the investigation into Arevalo's murder is completed.

Arevalo was found dead on 30 September on a downtown street in Cochabamba, 403 km southeast from La Paz. He had a bullet wound in his head and his hands were tied behind his back. He was found dead one day before the money deposited by thousands of unemployed people, retirees, and housewives was to be returned to them.

Finsa offered the highest monthly interest rate—between 6 to 10 percent on time deposits. This operation earned Finsa $56 million and in less than five years, it expanded its activities by establishing a travel agency, a taxicab and air taxi service, and a disco club.

Early this year, antinarcotics forces found traces of cocaine in two light aircraft owned by Arevalo while they were searching for alleged drug trafficker Bismarck Barrientos.

The Arevalos brothers went underground until thousands of Finsa depositors forced the government to lift the charges against them and to allow the financial agency to continue operating.

Police revealed the identity of Arevalo's murderer, but the lawyer for the alleged murderer charged that there was an attempt to turn his defendant into a "scapegoat."

Arevalo's Secretary Testifies

PY1810141091 La Paz Radio Fides Network in Spanish 1100 GMT 18 Oct 91

[Report from Cochabamba]

[Excerpt] A group of military men, reportedly called the X Group, allegedly had threatened to kill Nelson Arevalo Paez, president of Finsa [Arevalo Services Firm], if he did not return the money they had deposited in his financial firm. This was revealed by Liliana Fatima Benigna Adriazola Lopez, Arevalo's secretary, when she testified in court.

Adriazola revealed that, through telephone calls, the group of military men, ranking from captain downward, and whose spokesman was Dario—thought to be Colonel Orellanos, had threatened Arevalo more than once by telling him they would give him a surprise if their money was not returned. The threats came true once when they frightened Eddy Arevalo Paez' driver, the secretary said. She also said that Nelson Arevalo was always followed.

As for the possibility that Arevalo planned his own death, Adriazola, who admitted having been her boss' lover, said that Nelson had told her that he had decided to end his life because he could not solve his financial problems and that he had considered asking Jacinto [one of his bodyguards] to do the job, although he then changed his plans and chose NN [not further identified]. However, Adriazola said, Arevalo was in an unstable state of mind when he had revealed these plans to her. [passage omitted]

Militants Leave Party Over Ideological Changes

PY1910135491 La Paz Television Boliviana Network in Spanish 0200 GMT 19 Oct 91

[Text] Approximately 2,000 Condepa [Conscience of the Fatherland] militants from El Alto have resigned from the party after several charges against party leaders. The departing members of the party led by Carlos Palenque explained their decision by saying that some of Condepa's top leaders, namely Andres Soliz Rada and Ramiro Paz, have strayed from Condepa's ideological guidelines.

The militants said these leaders are seeking to occupy positions they do not deserve, thus causing conflicts within Condepa.

The El Alto mayor [not further identified], who is a member of Condepa, held a news conference to explain the position of the 2,000 departing militants.

[Begin recording] These militants have decided to quit the party because the principles of Condepa have been disregarded and a few have prevailed over the majority. This is an undemocratic attitude. The consultations that are part of our party's political modus operandi were not held. [end recording]

Brazil

Collor Criticizes Excessive Price Increases

PY2010195491 Rio de Janeiro Rede Globo Television in Portuguese 2300 GMT 18 Oct 91

[Text] President Collor criticized businessmen who excessively increase their prices. In an exclusive interview with journalist Marta Mourosini, the president spoke about inflation, interest, foreign debt renegotiation, and the project to plan the plebiscite date to approve a parliamentarian government system.

Collor condemned businessmen who excessively increase prices and exaggerate national difficulties.

[Begin recording] There is no reason for such (?psychosis) that some businessmen are spreading or attempting to spread in Brazil. Everything is working. The institutions are working. The economy is working. The modernization projects are making progress. The privatization process is scheduled to begin on 24 October. The constitutional amendment proposals already have been presented to Congress. The renegotiation of our foreign debt is being carried out within a very positive atmosphere and there are good possibilities that we soon will reach an agreement with our international creditors. We are making progress in our fiscal and tax reform with the participation of businessmen. Overall, we are living through a very rich moment in the life of Brazil. [end recording]

Commission Approves Bill on Privatization

PY1910154091 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 18 Oct 91 p 10

[Excerpts] Brasilia—The Joint Congressional Commission examining Provisional Measure 299 has approved, with amendments, the government's text. In Provisional Measure 299, the government includes various payment terms for the sale of private state-owned companies [as published]. These payment terms include the use of public debt notes, agrarian debt notes, and Siderbras [Society of Brazilian Iron and Steel Industry] debentures. By a 10-3 vote, the commission approved the judgment of the sponsor, Deputy Francisco Dornelles (Liberal Front Party-Rio de Janeiro State), supporting the measure. [passage omitted]

Next week, either 22 or 23 October, depending on an agreement between party bloc leaders, the Congress plenary will vote on the conversion bill resulting from Provisional Measure 299. [passage omitted]

* Collor Comments on Environment at UN Scored

92SM0629A Sao Paulo O ESTADO DE SAO PAULO in Portuguese 24 Sep 91 p 3

[Editorial: "A Strange Speech"]

[Text] The speech by President Collor de Mello at the UN General Assembly added nothing to what could be called the foreign policy of Brazil. In form it is not of the Third World, nor in content is it of the First World. It seems rather to be a series of phrases—each with its own meaning and direction—that taken together retain little logical coherence. Whoever reads the speech of the president of the Federative Republic of Brazil has the exact sensation of having before him a speech in which the conclusions have nothing to do with the premises. Non sequitur!

In reading the president's speech, there are times when one has the impression that the editor (or ghost writer) does not know how to link one idea to another—if it were possible to discern whether the lack of cohesion is due to the lack of a guiding concept or to the incompetence of whoever produced the final version of the president's thoughts. Viewed from the standpoint of logic, it differs from all the speeches that the president of the Republic has made heretofore, even during the most passionate moments of the presidential election campaign. This aspect must be taken into due account, because it evinces—on the part of the person who spoke the words that opened the UN General Assembly—little regard for what the representatives of 167 nations present there might think.

If one wishes to find a logical basis for the speech of the president of the Republic at the UN General Assembly, it is the concept that preservation of the environment is in fact the prerequisite for world development. The problem is the assumption that this concept—which is theoretically debatable but nonetheless sustainable—is being neglected by the world community, which is no longer concerned either with development or with the environment, despite the convening of the Rio-92 (ECO-92) conference. It costs nothing to quote the head of state. "Just as the issue of development has lost ground on the international agenda," he said, "I am troubled by my impression that the issue of the environment is also losing ground to other aspects of the world's everyday existence. It is understandable that the dramatic events of the last two years are attracting much attention, but it should be pointed out that the political activity in behalf of peace does not take place in a vacuum; it is dependent on economic development, which in turn is dependent

on models that are environmentally sustainable." Stated in another way (if words still have any meaning), the president of Brazil was telling the UN that the fall of the Berlin Wall and the consequences thereof—together with the crisis in the Middle East—have caused the world to lose sight of the issues that pertain to development and to the environment, and that Brazil has the duty to tell the rich nations (for that is what he is implying) that in the absence of environmentally sustainable (sic) economies, there will be no economic development. And as he criticizes the world for having forgotten that development is impossible unless there is respect for the environment, the president of the Republic is at the same time inviting everyone to participate in the 1992 Rio conference, when debate will take place on the question of "adopting economic policies that are more effective in eradicating poverty and in correcting sustainable models of production and consumption." Accordingly—in the words of President Collor de Mello—Brazil "is fighting to affirm the role that belongs to Brazil on the world scene."

Ecology, therefore—the president of the Republic believes—is the precondition for development! As he criticizes the world for having neglected this question and for walking away from the issue of the environment, President Collor de Mello simultaneously brings up the issue of cooperation and the maintenance of world order on the international scene. In this particular, His Excellency may have been referring to the alleged attempts to internationalize the Amazon Region—which because they are only allegations do not merit an explicit reference but should be earmarked for internal use, or whatever. "It is our duty," he said, "to regulate our internal situation, resolve our problems among ourselves, and follow a correct policy of preservation." Inasmuch as even in the case of the Amazon region there are neither external pressures nor threats to prevent us from solving our problems—even from the standpoint of the defense of our sovereignty—his statements sound false, especially when after saying that Brazil is not asking the world for anything it cannot give nor propose anything it cannot do, His Excellency haughtily declares: "Brazil is too complex a country to be treated with standardized prescriptions: there are no magic formulas and no economic miracles." If that is a message for the IMF, it was sent at the wrong time. If it is a reference to the alleged plans to internationalize the Amazon, his words appear to be meaningless.

There is no point in bringing up the subject of access to sensitive technology—a subject which the president treated with the same ambiguity with which the issue is being treated domestically. All in all, the president told the United Nations nothing. On the contrary, what he revealed to the delegates from the rest of the world who were assembled there was that Brazilian diplomacy is capable of making a speech—intentionally—in which the premises bear no relation to the conclusions. That was detrimental for Brazil, from the international standpoint, but extremely revealing from the standpoint of keeping up with the steps of the quadrille of public opinion in Brazil.

* Exports to ALADI Member Nations Increase

92SM0018A Sao Paulo VISAO in Portuguese 11 Sep 91 pp 22, 23

[Report by Nelson Rocco, with Manoel Franco and Teresa Cristina de Paula]

[Text] Physical proximity between the countries, ease of shipment, and, obviously, the recent commercial accords have helped boost foreign trade among countries that are geographically closest to each other—for example, the EEC (European Economic Community) and the nations of East Asia. But increased trade is not a privilege available only to the rich. There is a potential market among the developing countries in Latin America and, with an eye on this alternative opportunity for its foreign trade, Brazil has been expanding its share of the business transacted among the member nations of ALADI (Latin American Integration Association).

Brazilian exports to ALADI during the first seven months of this year made a better relative showing than did exports to any other economic bloc: they rose by 43.8 percent in comparison with the movement experienced in the same period of last year. This means Brazil's sales to its Latin neighbors jumped from $1.75 billion between January and July 1990 to $2.53 billion in the same months of this year.

That reassuring performance lifted ALADI's role as destination for Brazilian goods from nearly 10 percent in the first seven months of last year to a cumulative 13.2 percent as of July 1991. Trade with EEC member countries crept up from 30 percent to 31 percent in the same period, while exports to the United States fell from almost 25 percent of the total to 19 percent.

The increase in purchases of Brazilian products occurred among the major ALADI countries, especially Argentina. During the period being analyzed, the Argentines bought 109.4 percent more from Brazil than they did last year, raising their imports from $311 million to $651 million. This confirmed Argentina's position as Brazil's leading partner among all ALADI countries.

Mexico ranks second in volume of purchases. As of the seventh month of 1990, that country had purchased $302 million of Brazilian products, but this figure jumped to $405 million, or by 34 percent, in the same period of this year. Venezuela upped its purchases by 94.6 percent during the same period, from $127 million to $247 million.

Our Best Partners
(Brazilian exports to ALADI countries, in millions of dollars)

	Jan-Jul/90	Jan-Jul/91	% Change
Argentina	311	651	34.0
Mexico	302	405	109.4
Chile	288	346	20.1
Paraguay	185	276	49.0
Venezuela	127	247	94.6
Uruguay	159	197	23.9
ALADI	1,759	2,531	43.8

Source: Decex

Mercosur

These figures appeared in the July report on the Brazilian balance of trade, which includes analytical data on the first seven months of 1991 compiled by Decex (Foreign Trade Department), an agency connected with the Ministry of the Economy. Wednes Costa, supervisor of the market organizations section of Decex, credits the emergence of the Mercosur (Southern Cone Common Market), which is bringing Brazil closer to the other South American nations, for the increase in sales.

The inauguration of Mercosur is also cited by economist and USP (University of Sao Paulo) Professor Simao Silber as the determining factor behind the growth in Brazilian sales to ALADI countries. However, he observes that only a few of them, except Brazil, Argentina, Mexico, and Chile, have been able to sustain really active trade.

Silber says the increase is due to a reduction in import tariffs: "Mexico is very close to establishing free trade among the countries with which it trades, and Chile has already liberalized it," he said, recalling the recent agreements that the former has been concluding with the United States and Canada. The recipe for expanding the role of other countries in reciprocal trade transactions, the economist says, centers on the trade liberalization, but to achieve that, Latin countries must curb the escalation of the inflation rate, as both Chile and Mexico have done.

Argentina

Costa attributed the increase in exports to the Argentines to the commercial accord signed last October that took effect in January. Under that arrangement, the tariffs on all products traded between the two countries are being reduced by 40 percent in stages, with free trade scheduled to be achieved by January 1995.

In order to circumvent the differences encountered in applying the tariffs, the Brazilian and Argentine governments have been talking with each other every month during the meetings of the countries that comprise the Mercosur (these two, plus Paraguay and Uruguay). "The bilateral meetings between Brazil and Argentina are being held to resolve disputes, which are innumerable. Don't think that Mercosur will be an overnight success. The European Common Market, with all its years of tradition in uniting wealthy, developed nations still has its problems, and a lot of meetings and contacts are needed in order to satisfy so many different interests. The EEC took 30 years to consolidate itself," the Decex expert noted.

Besides the tariff reduction, Brazil and Argentina are trying to come to grips with the requirements of technical standards. The entry into force in Brazil of the Consumer Protection Code on 11 March of this year also created a series of obstacles for foreign products, especially those of animal origin. Meetings held by technical staffers from the two countries to work out more flexible approaches have not been enough to change the outlook.

Retaliation

The purpose of the bilateral meetings is to define technical standards that will satisfy the requirements of the code. "Argentine products that were coming into Brazil in large quantities last year have started to get scarce. As far as the meetings are concerned, this is not a positive development. If it has too much difficulty getting its products onto the Brazilian market, the Argentine government may resort to trade retaliation and set up barriers to our products," Costa observed.

Determining the criteria for importing and the basic conditions governing the flow of trade are the principal topics that influence the establishment of technical norms related to product labelling, packaging, net weights, and tolerances.

Ranking right below Argentina among ALADI members in terms of commercial importance to Brazil is Mexico. According to the Decex source, the volume of shipments to Mexico has risen with the worsening of the internal Brazilian recession, which forced companies to opt for selling to foreign markets and to look for new trade opportunities. He also pointed out that Mexican import duties are much lower than duties in the rest of Latin America and import licenses are not required.

Chile

German Chancellor Arrives; Meets With Aylwin

PY1910193091 Santiago Radio Nacional de Chile Network in Spanish 1600 GMT 19 Oct 91

[Text] German Chancellor Helmut Kohl, known as the architect of Germany's unity, arrived in Santiago today for a four-day visit after which he will travel to Brazil. According to Dietrich Vogel, the chancellor's official spokesman, the objective of the visit is to emphasize Germany's support for changes and political, economic, and social reforms in Latin America.

The leader of united Germany stepped out of a Luftwaffe plane at 0830 on the dot. The German Air Force plane had landed at the Merino Benitez Airport in Santiago five minutes earlier. Chilean Foreign Minister Enrique Silva Cimma welcomed Kohl at the bottom of the stairs. Kohl is traveling with his wife Hannelore; Labor Minister Norbert Bluem; Dietrich Vogel, state secretary and head government press officer; and an entourage of 200 people.

Kohl was received with military honors by the Capitan Avalos Air Force School. There were no speeches and Kohl, together with his entourage, went to a downtown hotel where he will be staying during his visit in Santiago.

Kohl's physical appearance—he is 1.93 meters tall and weighs 110 kg—dwarfed Silva, although the latter is hardly a short man.

Kohl's first official activity today was a formal visit with President Patricio Aylwin at the latter's private residence on Amapolas Street. There Kohl was welcomed by President Aylwin, his wife Leonor, and Foreign Minister Silva. The meeting was lengthy and confidential; thus, no communique was released to the press. Right now, Kohl and his wife are at a luncheon hosted by the German community at the German School, which is celebrating its 100th anniversary today.

According to key Government House officials, Kohl's visit is a clear political sign of support for the Chilean people and for President Aylwin. It also epitomizes the will of the two governments to strengthen and expand bilateral ties.

Reportedly, the illustrious visitor will probably meet with leaders of the Chilean Christian Democratic Party this afternoon and spend the rest of today and all of tomorrow on private activities. He will resume his official activities on 21 October.

The two chiefs of state will hold a joint news conference and high-ranking officials of the two countries will hold bilateral meetings. The crowning point of the activities scheduled for 21 October will be the signing of an agreement to encourage investments and a memorandum on cooperation drafted by a joint commission. According to Chilean officials, these agreements are more important than anything Chile may have signed with other countries.

According to an official communique, Germany believes that Chile is bound to have a marked influence on Latin American affairs.

Chancellor Kohl will speak to a plenary meeting of Congress in Valparaiso on 22 October and will leave for Brazil at 1630 local time the same day.

Leaders Discuss General Issues

PY2010021491 Santiago Television Nacional de Chile Network in Spanish 2330 GMT 19 Oct 91

[Report by Alejandro Machuca]

[Excerpts] German Chancellor Helmut Kohl arrived in Chile this morning for a four-day official visit to Chile. [passage omitted]

After resting for a couple of hours, Dr. Kohl went to the Chilean president's residence, where he was welcomed by Patricio Aylwin. The fondness between them was obvious.

At that time, Aylwin and Kohl held their first meeting, which lasted one hour and 10 minutes. Journalists patiently waited across the street from the president's residence until the end of the meeting in the hope of obtaining an interview with the German chancellor. This was partially achieved when the illustrious visitor greeted some German citizens who were waiting for him near the journalists.

While Kohl boarded a car with diplomatic license plates No. 000, President Aylwin approached journalists to discuss the objectives of Kohl's visit.

[Begin Aylwin recording] We did not discuss [words indistinct]. We did not discuss any specific issues, only general issues. We discussed issues pertaining to Chilean and German affairs and exchanged information. We also discussed the international situation. [end recording]

After attending a reception at the German Embassy, the German chancellor spent most of the day resting in his hotel. Unofficial reports have stated that Kohl held meetings with some Chilean legislators and politicians in the afternoon.

Commitment to Pluralism Noted

LD2010132491 Hamburg DPA in German 1203 GMT 20 Oct 91

[Embargoed until 1500 GMT, 20 Oct]

[Excerpt] Santiago (DPA)—At the start of his four day visit to Chile, Federal Chancellor Helmut Kohl has professed his commitment to a "pluralistic" German culture "which is open to the world". At a reception for the 100th anniversary of the German School in Santiago de Chile today, Kohl cited as examples of this the overcoming of "narrow-minded nationalism"; the completion of German unification; and the Federal Republic's contribution to the political unification of Europe.

This has changed the Germans' lives considerably. He said: "Our global responsibility has grown and we must do justice to this responsibility." Kohl called upon ethnic Germans in Chile and on Germans living in Chile for professional reasons "to fulfill an important bridging function between our two countries". Around 100,000

Chileans of German descent and 16,000 German citizens live in the Andean country. [passage omitted]

Kohl Concludes 2d Day

PY2110020291 Santiago Television Nacional de Chile Network in Spanish 2330 GMT 20 Oct 91

[Excerpts] German Chancellor Helmut Kohl concluded the second day of his official visit to our country. After attending a private mass, he visited the German school. [passage omitted]

Kohl also visited the Sotero del Rio Hospital, where President Patricio Aylwin and the health minister were waiting for him. Speaking to the people, Kohl said he was visiting this hospital as an homage to his mother. He said he was proud that Germans have helped in recovering democracy in Chile and he hopes his country will continue helping in the future. [recorded passage omitted]

[Begin Aylwin recording] He is a government leader of one of the most powerful and most developed nations in the world. It is important for him to see our situation here and to assess the importance of German cooperation with Chile through credits and technical assistance in the field of health. This also will allow our hospitals to improve their equipment in order to render a better service. [end recording]

Asylum Granted to Former Haitian Minister

PY1910172091 Santiago Radio Nacional de Chile Network in Spanish 1600 GMT 19 Oct 91

[Text] Chilean Foreign Minister Enrique Silva Cimma confirmed today that Chile has granted political asylum to Jean-Robert Sabalat, the former foreign minister of Jean-Bertrand Aristide's administration.

Silva explained that the Chilean Foreign Ministry responded immediately to Sabalat's request for asylum. The Chilean Foreign Ministry even instructed Ambassador Luis Larrain in Port-au-Prince to delay his departure from the Haitian capital for a few days.

The Silva explained that since Chile does not recognize the military regime that ousted Aristide, it had ordered its ambassador in Haiti to leave the country. When Sabalat asked for asylum, however, the Chilean Foreign Ministry instructed Ambassador Larrain to stay a couple of days longer and handle the request.

Silva explained that Chile granted this asylum, although it views the regime that ousted Aristide as unconstitutional, because Chile believes in the right to asylum.

Bush's Testimony Requested in Contreras Trial

PY2010211291 Madrid EFE in Spanish 1919 GMT 20 Oct 91

[Excerpts] Santiago, 20 Oct (EFE)—Judicial sources confirmed today that the defense lawyer for General Manuel Contreras, who is being tried in the murder case of former Foreign Minister Orlando Letelier, requested the testimony in court of U.S. President George Bush and Venezuelan President Carlos Andres Perez.

The defense lawyer's petition, which was presented on 19 October in the Supreme Court of Justice, also requests the testimony of Vernon Walters, deputy CIA director in 1976, when Letelier was killed in Washington during an attack in which U.S. citizen Ronnie Moffit also died.

Contreras' lawyer said the Letelier murder was the result of a CIA plot in September 1976, when the attack took place, that was headed by Bush and with Vernon Walters as deputy.

The defense also maintains that the murder was planned in Costa Rica and, based on Venezuelan press reports, it also maintains that Venezuelan President Carlos Andres Perez, who was in his first term in office, knew about the plan three months in advance.

Another military man accused in the case, Brigadier Pedro Espinoza, went further in claiming his innocence. In an open letter published on 17 October, he stated that Letelier was killed as part of a plan to overthrow General Pinochet from power.

Judge Adolfo Banados Cuadra is trying Gen. Contreras, former director of the DINA [National Intelligence Directorate], which was the secret police during the regime of General Augusto Pinochet (1973-1990). Banados is also trying Brig. Espinoza, former DINA deputy director at the time, for allegedly planning the attack against Letelier. [passage omitted]

It was confirmed today that Judge Banados, who in the past few days obtained testimony from Townley [former DINA agent] apparently incriminating Contreras, also summoned 17 other Army colonels on active duty and who worked for the DINA. The hearings will take place this week. [passage omitted]

Colombia

Government Calls State Workers Strike Failure

PA1810184291 Santa Fe de Bogota Inravision Television Cadena 2 in Spanish 0000 GMT 18 Oct 91

[Text] The government described the strike by state workers as a failure. Fenaltrase [National Federation of Workers at the Service of the State] leaders said that all their objectives were met. Carlos Arturo Paez has the report:

[Begin recording] [Paez] Assessing the success or failure of the state workers' strike by the number of demonstrators present at the Bolivar Plaza is not possible. Although the number was less than what the unions had predicted, there were small groups from various state institutions.

Here are comments by Fenaltrase President Wilson Borja and Labor Minister Francisco Posada de la Pena:

[Borja] The strike is a complete success, it was observed in all government institutions. We have stood up to the government, which tried to intimidate us through its presidential spokesmen.

[Posada de la Pena] The failure is obvious, because public offices are open and working normally.

[Paez] If we evaluate the strike by sectors, the conclusion is not clear. According to reports from both the government and workers, the strike was supported by judges, teachers, Ecopetrol [Colombian Petroleum Enterprise], and National Registrar workers, and service in other government institutions was reduced. Normal operations were reported in areas such as Telecom [National Enterprise for Telecommunications], health, ministries, and decentralized institutes.

In any event, the government announced sanctions against employees who participated in the strike.

Justice Minister Fernando Carrillo said that the judges' indefinite strike is unjustified because all their needs have been gradually met.

[Carrillo] It is inconceivable that while justice workers have been given privileges and are expected to use their imagination and creativity to work, they reply by suspending their activities. I am sure that we all agree that this impasse can be solved through dialogue.

[Paez] We may conclude that threats to dismiss workers who earn an average of 70,000 pesos per month, with the small influence of the large unions, prevented the total paralyzation of activities. [end recording]

Commission Recommends Resuming Peace Talks

PA1810152791 Santa Fe de Bogota Emisoras Caracol Network in Spanish 1220 GMT 18 Oct 91

[Text] Santa Fe de Bogota—The Advisory Commission for Public Order has recommended that the government promptly resume talks with the rebels in Caracas.

After returning from Caracas, the six commission members released a communique stating that the Simon Bolivar National Guerrilla Coordinating Board flatly opposes violent actions against the civilian population and political leaders.

CNGSB Proposes Cease-Fire

PA1810222891 Madrid EFE in Spanish 0109 GMT 18 Oct 91

[Text] Santa Fe de Bogota, 17 October (EFE) — It was reported here on 17 October that the Simon Bolivar National Guerrilla Coordinating Board [CNGSB] has made a proposal to the Colombian Government for an immediate cease-fire. The CNGSB also announced a truce for the 27 October legislative elections and called for a renewal of the peace dialogue.

The CNGSB established its position in a proposal covering several points, which was sent to the Gaviria government through the Advisory Commission on Public Order (CAOP). Members of this commission returned to Bogota following talks with guerrilla representatives in Caracas.

The Colombian guerrillas expressed the urgent need for an immediate cease-fire, and called for the appointment of a cease-fire verification commission.

CAOP members and CNGSB representatives met in Caracas on 16 and 17 October to look for ways to renew the suspended talks aimed at attaining peace in Colombia.

The Gaviria government suspended negotiations in early October following the 30 September attack on former Congress President Aurelio Iragorri Hormaza. Irragori, a member of the Liberal Party, was not hurt during the attack but seven persons accompanying him were killed.

In their proposal, the rebels agreed not to conduct any violent activities that might hinder the 27 October legislative and gubernatorial elections. However, they demanded that "the elections be demilitarized."

In the same document, the CNGSB says the attack on senatorial candidate Iragorri's motorcade in southwestern Cauca Department has been "settled."

CNGSB representatives and CAOP members met for more than eight hours on both 16 and 17 October, and also spoke via radiotelephone with the CNGSB high command.

It was reported in Santa Fe de Bogota that CAOP members talked with Manuel Marulanda Velez ("Tirofijo"), commander of the communist Revolutionary Armed Forces of Colombia, and with former Spanish priest Manuel Perez, commander of the Marxist Army of National Liberation.

These guerrilla organizations, together with a dissident faction of the Maoist Popular Liberation Army, compose the CNGSB.

In Santa Fe de Bogota, the Colombian Government's response to the guerrilla proposal was not immediately known.

Commander Reports Assistance of Rebel Deserters

PA1910202091 Santa Fe de Bogota Emisoras Caracol Network in Spanish 1200 GMT 19 Oct 91

[Text] General Camilo Zuniga, commander of the 3d Army Division, said the success of the military operations carried out this week in southwestern Colombia against the National Guerrilla Coordinating Board [CNG] is due to cooperation from deserters of FARC

[Revolutionary Armed Forces of Colombia] and the ELN [Army of National Liberation] with counterintelligence organizations.

The high-ranking officer of the National Army explained that youths who are tired of the stubbornness of the leaders of those two rebel movements renounced violence and went to the military authorities to cooperate in the countersubversive strategy. The general said that the operations will continue in the San Antonio and Villa Colombia de Jamundi Municipalities, in the southern part of Valle Department.

For its part, the 3d Brigade reported today that during clashes in the southern part of Valle Del Cauca Department during the week and in Cauca Department today, seven rebels were killed.

The 3d Brigade mentioned that in September in Putumayo Department, three casualties were inflicted on rebel forces during activities carried out by the Army's Specific Commando. This clearly demonstrates the effectiveness of the intelligence operations in the area.

Judicial Branch Workers' Strike Continues

PA2110002691 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 1800 GMT 20 Oct 91

[Report by Sandra Vergara]

[Text] The Judicial Branch strike will continue 21 October while mildew, humidity, and neglect continue to deteriorate the ancient buildings throughout the country where 26,000 officials work. We toured the hallways of the capital's courts and found that shelves are being used to store thousands of files and a large number of useless articles.

There are 600 courts in Santa Fe de Bogota and the government gives each court 12 reams of paper, 12 ballpoint pens, and 12 pencils every year. These ridiculously small amounts of material are used to handle a minimum of 8,500 cases in each court.

The government currently has a deficit of 8.6 billion pesos with the Judicial Branch, and that is for separation pay only. Hence, the state cannot fulfill its other commitments to the Judicial Branch.

[Begin unidentified official recording] The government owes us about 80 percent of our travel expenses. We have no vehicles to travel to the countryside. The clinics in Cucuta refuse to receive us because.... [pauses] For example, the San Jose Clinic is owed approximately 50 million pesos. [end recording]

In addition to working in subhuman conditions, the judges must protect themselves from violence. Eight judicial officials have been assassinated this year, 15 had to leave the country, and 100 have been threatened. This lack of security is compounded by the lack of support given to the victims of violence against the Judicial Branch.

[Begin unidentified official recording] Judging from the speeches given at his [not further identified] funeral, we surmised that the state would really protect us. However, it was a lie; nothing has happened. [end recording]

Is the budget allocated to efficiently protect Judicial Branch officials really enough? Facts indicate that it is not. But can this really be solved by a strike that leaves Colombians in a judicial void?

Ecuador

Electoral Tribunal Recognizes New Party

PA1210032091 Quito Cadena Ecuador Radio in Spanish 2300 GMT 10 Oct 91

[Excerpts] The Supreme Electoral Tribunal [TSE] has recognized the Republican Unity Movement as a new political party. As a result, there are now 17 parties in the country. [Name indistinct], chairman of the TSE legal commission, said that after studying the documents, the TSE decided to follow the law and recognize it as a party with full rights. [passage omitted]

This new party is led by probable presidential candidate Sixto Duran Ballen [words indistinct].

Government Blocks German Expedition to Galapagos

PA1810224591 Lima Radio Programas del Peru Network in Spanish 1800 GMT 18 Oct 91

[Text] The Ecuadoran Foreign Ministry announced on 18 October that, due to specific regulations applied without exception to protect the delicate ecological system of the Galapagos Islands, a vessel built in Peru with Ecuadoran materials will not be allowed to go to the islands on an expedition that was to have been filmed by the German television network ZDF.

Foreign Ministry Secretary General Mario Aleman informed German Ambassador to Ecuador Johann Graf Schirndinger of the legal reasons for not authorizing the expedition, specifically the strict prohibition against bringing exotic plant species like the totora, used to build the vessel, into the area.

Peru

Fujimori Comments on Terrorism, Coca Farmers

PA1910222591 Paris AFP in Spanish 2041 GMT 18 Oct 91

[Report by Marc Thibault]

[Text] Lima, 18 Oct (AFP)—President Alberto Fujimori will begin a one-week tour to Europe on 19 October. The first objective of the trip will be "to change the image of Peru," considered by many to be a country that has broken records in violence.

Fujimori, who will visit Belgium, Spain, France, and Italy, will try to convince the Europeans that Peru is changing and that, after 15 months as head of the state, his government has been able to solve some problems.

"We need to change the image of Peru," the head of state told AFP during an interview. "We have to try to grab the attention of European investors," Fujimori said.

The surprise winner of the Peruvian elections had inherited, after assuming power in July 1990, a country on the brink of bankruptcy, submerged in one of the most serious economic crisis of its history and devastated by the Maoist Shining Path guerrillas and the MRTA (Tupac Amaru Revolutionary Movement).

The public coffers were empty. In 10 years, the guerrillas and political violence had caused some 20,000 deaths and economic losses due to terrorism were estimated at over $20 billion, equal to the Peruvian foreign debt, which the previous populist and Social Democratic government of Alan Garcia had stopped paying.

Inflation, primarily fostered by the systematic return to the artificial issuing of money, reached record levels.

After overcoming the curiosity resulting from the election of a son of Japanese immigrants, Fujimori, 51, an agriculture engineer and university professor, is heading the reconstruction of Peru with a perseverance and tenacity recognized even by his own opponents.

Approaching the half-way mark of his second year in office, the first objectives of his government, reducing inflation and attaining access to international credit, have been partially fulfilled.

Inflation, at a monthly rate of 50 percent, was reduced to 5.6 percent in September. Total inflation for the year should be around 150 percent. The inflation rate for 1990 was 7,650 percent. The estimated inflation rate for 1992 is around 38 percent.

The return of Peru—which was declared "ineligible" by the IMF—to the international financial community was settled less than a month ago. "This means long negotiations, probably longer than what was previously thought," Fujimori told AFP.

Peru's reserves, in the red less than a year ago, currently approach $1 billion. The economy has taken a liberal turn after 20 years of state control.

"We now need to consolidate what we have done, we need to obtain more tangible results," according to the president, who said the next step will be to reduce the state apparatus in the nationalized sector.

Fujimori said: "We are shooting for a much smaller, but efficient government and if our objectives are fulfilled, the sacrifices made during our first two years in government will lead to a more stabilized country with a solid base for its recovery."

The other two major problems facing the president are terrorism and cocaine. Peru produces 60 percent of the world's total cocaine.

"We have handled the cocaine problem very differently from what has been done in the past," he said.

"We have decided to deal directly with the United States, but not from a merely repressive viewpoint, which has been the case for many years. We have a different concept in mind. We do not consider the coca farmer a criminal, but a person to negotiate with." The objective: To encourage him to abandon the coca crop in exchange for alternate crops.

The authorities believe that indiscriminate repression could in fact push the approximately 250,000 coca farmers into the hands of the Shining Path and the MRTA, both extremely active in the areas of production—on the Amazon mountain ridges of the Andes in the northern part of the country—and escalate the guerrilla war to a civil war.

The United States, after long negotiations, has finally decided to support Peru's position. The agreement reached with the United States in May 1991 "with the firm support of President Bush," according to Fujimori, calls for greater financial assistance from Washington to retrain coca farmers than for the repression of the cocaine traffickers.

The problem of terrorism remains and it is important for Peru to resolve it if it wants to attract foreign investors. The strategy here has also changed. Repression has been replaced, under the Fujimori government, by the slow reconquest of the towns.

He said: "It is not a matter of recovering territories. I believe the war against the subversives will be won if we win the support of the people, which we will not do with the use of weapons or with the violation of human rights."

The president explained that the first step was to change the image and the attitude of the Armed Forces by eliminating "indiscriminate actions of repression" and by giving defensive weapons (breech-loading rifles) to peasant self-defense groups, created by rural communities to protect themselves from Shining Path incursions.

The same tactic is currently being used in the new settlements near Lima where, for the past few weeks, the Army has been conducting civic action programs by distributing food and supplies to the poor people. "This accounts for 50,000 families, practically 250,000 people, who receive rations of 20 kgs of dry food," Fujimori said.

According to Fujimori, "the people's response has been very positive and the fear of Shining Path has decreased. If I can continue to get this support from the people in the fight against terrorism, then I can say there will be peace in the country before the end of my term in 1995."

Comments Analyzed

PA2010024091 Madrid EFE in Spanish 1014 GMT 19 Oct 91

[Report by Francisco Figueroa]

[Text] Lima, 19 Oct (EFE)—According to his remarks during an interview with EFE, President Alberto Fujimori believes that the only solution for Fidel Castro's Cuba is "democracy, which is what people everywhere have always chosen."

Fujimori, president for the past 14 months, added that the people of Latin America have "democratic convictions," which constitute an "almost instinctive judgment" against coup attempts and favor civil liberties.

The president, who enjoys the support of 53 percent of his countrymen according to polls, gave assurances that Peru will not be the first to fire a shot should there be an armed conflict with Ecuador, adding that his government's position concerning the border crisis with its northern neighbor will be cautious but firm." Fujimori dismissed "in principle" the possibility that the crisis—which lay dormant in Peruvian-Ecuadoran relations for half a century; caused a war in 1941; a brief skirmish in 1981; and constant political strife—could degenerate into war.

Quito and Lima have different views concerning the validity of a peace, friendship, and border treaty signed after the war in 1941, which Peru has fully accepted and Ecuador considers null, arguing that it was imposed by force.

"My government will act cautiously. It will not take the first step toward war. You can be sure of that," he said.

Fujimori based his optimism concerning peace on the dissuasion factor which, in his opinion, constitutes "the integrationist trend in Latin America," which has deep roots in people's sentiments.

Nevertheless, he added that in any controversy "there are forces that do not depend exclusively on political or military interests such as, for example, weapons traffickers."

On 22 and 23 October, Fujimori will make the first state visit by a Peruvian president to Spain, and will take advantage of his stay in Europe to tour Brussels, Paris, Rome, and the Vatican.

Fujimori said that the events in Eastern Europe and the disintegration of the USSR can "only partially" deviate the aid set aside for Latin America.

The president displayed a certain disappointment over the aid given his country by the EC, although he said he appreciated "certain expressions of solidarity," such as the credits granted by certain EC nations which, along with the United States and Japan, organized a financial support group to help Peru resolve the lengthy delays that characterized its payments to the international organizations.

Fujimori said that he is convinced that because almost all of the Latin American countries have market economies and because of the existence of integration mechanisms such as Mercosur [Common Market of the South] and the Andean Pact, all of these factors will come together "to form a great Latin American common market that will help us overcome the crisis."

"If the integration process continues, I am certain that Spanish-speaking America will carry weight in the world," he pointed out.

The president said that the 1992 commemoration of the fifth centennial of America's discovery should serve as a source of "analysis and thought" for the Spanish-speaking community, as well as a time to "search for positive common goals."

He added that the "summit" of Spanish-speaking heads of state and governments, which began this year in Guadalajara, Mexico, and will continue in Madrid (1992) and Brazil (1993), is an adequate forum in which to "consolidate the great road that we are building between Spanish-speaking America and Spain."

Fujimori believes that the "insane terrorism" that the Maoist "Shining Path" group has practiced for the past 11 years in Peru, was born and feeds on the poverty that has prevailed in Peru for decades, and is based on an alliance with drug traffickers, whose source of worldwide supply is in Peru's sub-Andean valleys.

According to Fujimori, Shining Path showed "signs of desperation" when it included social organizers and popular leaders among its main targets; this tactic is intended to show that "outside of their organization, there are no solutions" and that "the new democracy must be built from the ashes of the old order," according to their pamphlets.

"The people do not support the Shining Path," said the president of a country in which terrorism and security force counterinsurgency efforts in 11 years have caused approximately 23,000 deaths; damaged Peru's gross domestic product (GDP); and created a general state of upheaval and fear.

Peru has been repeatedly cited by the United Nations as the country with the largest number of human rights violations in the world, and Fujimori has expressed his determination to "reduce drastically" those abuses which, he said, have gone from 30 a month in 1990 to six in August.

Fujimori said that the international humanitarian organizations "are unfair" because "they raise a scandal" over the abuses by Peruvian security forces, but "remain silent" regarding "flagrant human rights violations perpetrated by the Shining Path."

The president is trying to engage Europe in the struggle to uproot drug trafficking in a country that is the source of two of every three grams of all the cocaine circulating throughout the world.

"I believe that the cocaine problem cannot be resolved by simply replacing coca plantations, but by giving the peasants that cultivate the drug (approximately 250,000 families) an economic alternative by creating a true market economy so that the farmers can sell their products," Fujimori said.

The president said that the Peruvian people have "stoically" withstood the greatest economic adjustment in the nation's history.

The program, he added, has visibly reduced the inflation index and balanced public spending, because Peru can once again receive international credit after five years of suspension.

Nevertheless, the Peruvian people, overwhelmed by poverty and shortages, will not notice the signs of economic recovery for at least another six months, Fujimori implicitly admitted in this interview for EFE's "America Line" television program, which will soon be aired in most of the Spanish-speaking countries.

Senate Approves Charges Against Former President

PY1910235691 Madrid EFE in Spanish 0609 GMT 19 Oct 91

[Text] Lima, 18 Oct (ANDINA)—The Senate, in a decision without precedent in Peru's republican history, approved at dawn today the constitutional charges against former President Alan Garcia for alleged ill-begotten accumulation of wealth during his mandate, and placed him under jurisdiction of the judicial branch.

As a result, the former president's fate will be decided by the Supreme Court of Justice, which will determine whether or not he is guilty of the charges filed against him.

A majority of the senators voted in favor of the proposal submitted by the committee headed by Senator Francisco Guerra Garica stating that "his wealth has increased noticeably above his income."

The Senate's decision also implies a suspension of Garcia Perez' functions as Senator for Life and a withdrawal of his parliamentary immunity.

The constitutional charges were approved by 38 votes in favor and 17 against after a lengthy 20-hour debate, which began last night with a presentation by the Chamber of Deputies committee formed to investigate the case. Only the APRA [American Popular Revolutionary Alliance] bloc, made up of 16 legislators, voted against the charges, while the remaining political parties represented in the Senate, including the independent bloc, voted in favor of them.

The charges are based on the possible existence of unjustified bank accounts abroad and his "obvious intervention in the decision to place the reserves of the Central Reserve Bank of Peru in the Bank of Credit and Commerce International (BCCI)."

Moreover, it mentions Garcia's personal decision to reduce the number of Mirage aircraft purchased by the Peruvian Government, according to the contracts "Jupiter" 1, 2, 3, and 4, through which he allegedly profited by selling the aircraft to third countries.

The United Left withdrew a substitute proposal—submitted in the morning by Senator Gustavo Mohme—that eliminated from the charges details of the BCCI and aircraft purchase cases.

Proceedings against Garcia began some 15 months ago with the creation of a special Chamber of Deputies committee, headed by Fernando Olivera, that investigated Garcia's wealth. Initially he was charged with ill-begotten accumulation of wealth and malfeasance. The Senate committee dropped the latter charges.

New Counterinsurgency Operations Initiated

PY1810135691 Lima EL COMERCIO in Spanish 11 Oct 91 p A10

[Text] Through the implementation of a new antisubversive strategy directed at the neutralization of terrorist activities in Lima and its outskirts, the Army's Special Forces have established new counterinsurgency measures.

This is because Shining Path cadres close in on Lima by coming down the Central Highway and set up their command posts in the shantytowns and settlements on this important route to the capital.

This is the reason why the Army's Special Forces have occupied La Cantuta University and the settlements of Huaycan, Horacio Zeballos, and Raucana, where the Shining Path had three "outposts," or "bases," in that part of Lima.

This countersubversive action has forced the terrorists to depart for the southern area, to San Juan de Miraflores, Villa Maria del Triunfo, and Villa El Salvador, where the regular forces already have started a plan to counter these actions.

This is why Shining Path aggressions are now directed against the managers of community kitchens and the glass-of-milk plan in these Lima districts.

A military source indicated that the intervention of the Army's Special Forces in Raucana, Central Highway km 11, was due to the fact that a very strong terrorist base was discovered there and the terrorists had been able to dominate the population.

The Army intervened there not only with countersubversive actions, but also with civic actions, in other words, by distributing food, water, and medicine, and giving medical and educational assistance to the population. Matters are now changing slowly.

At the Horacio Zeballos settlement, the population is demanding the military's permanent presence in order to prevent terrorist actions; the population is tired of them.

It was learned on 10 October that a military patrol was ambushed by the Shining Path some days ago in Huarochiri, but the guerrillas were repelled and abandoned a large quantity of weapons.

The Shining Path presence in that area was very strong.

There has been no mayor in the district of Santiago de Anchucaya due to terrorist threats. The population did not elect its municipal authorities in 1989, but in 1991 the population voted.

Several days ago the mayor-elect was being pressured to resign. The Army's Special Forces sent in troops and the terrorists fled. Weapons and other types of materiel were seized.

Huarochiri was very important for the Shining Path due to its connection to Cieneguilla and La Molina; now the area is slowly being neutralized.

Army's Success Cited

PY1910145291 Lima EXPRESO in Spanish 14 Oct 91 p A8

[Text] According to military intelligence reports, the presence in La Cantuta of Abimael Guzman and his terrorist gang had the purpose of, among other things, dominating the Central Highway with the objective of launching a wave of pressure and fear in the settlements and then to penetrate Lima.

The Army frustrated those plans in March 1991 when it entered La Cantuta University, where it discovered videocassettes and enlightening documents on the plans of Shining Path.

We now offer you what has been learned about the Shining Path's murky plans.

The decisive intervention of the forces of order in La Cantuta and San Marcos Universities effectively allowed the smashing of the tentacles of the Shining Path, which had the objective of "the people's victorious entry into the Republic's capital via the Central Highway," according to the seized videocassettes.

But the group's ideologists are far from taking things calmly. They now are instigating invasions via the main highway and also from the northern and southern areas of Lima. They also are trying to take over the leaderships of the new groups of invaders, but the population has begun to reject them. What is happening in the settlements of Raucana and Huaycan is an example of this.

Shining Path members are leaving the shantytowns, where the population has begun to receive help and support from the Army within the framework of the civic action program. Shining Path members can hardly do anything more in these places.

The Army's change of strategy in the fight against subversion is beginning to succeed because the settlements had been left to their own means and had nearly been taken over by the Shining Path. Today they are receiving the support of the military in every sense: protection, food, medicine, water, etc.

Even settlement leaders, who feel they have been left out of the civic action program, resort to the Army leadership to request support. They are ready to denounce the presence of Shining Path members who enter their communities.

A reliable source stressed that "we are advancing well. The situation would have been very serious if nothing had been done in the universities. Shining Path members hid in them, taking advantage of university autonomy."

The source indicated that Army Intelligence's best men are carrying out a detailed plan in order to win victories in the fight against terrorism, but they do not flaunt their victories.

During the first incursions into the universities, the military discovered abundant terrorist propaganda and a series of notes with the names of people possibly linked to the Shining Path. Each name is being thoroughly investigated.

"Students" with long years of studying behind them also were captured. "We knew, we were certain that they are members of Shining Path, but there is no conclusive proof that will confirm the accusation. They are going around free and if we capture them they resort to human rights organizations," the source stressed.

Our source also stressed that "many students want nothing to do with Shining Path and they have begun to denounce their presence in the classrooms. We are slowly receiving the support and acceptance of the students, who still fear reprisals. But this fear will disappear."

During the past few weeks, the new war strategy the Army is using against Shining Path has had favorable results.

For example, our sources point out that the inhabitants of the settlements along the Central Highway and in the southern neighborhoods approached the military to denounce the presence of strangers who incite the population.

"We have made important captures and we have names. The fight against Shining Path is not easy. It all depends on the response given by the population, and it is only today that we are obtaining the objective that we are seeking," the source added.

Another military source, who directs the fight against terrorism, said that President Alberto Fujimori has a high degree of interest that the war against terrorism conclude with the support of the population.

"During the past few weeks," he stressed, "we have observed the terrorists receiving a categorical answer, not from the Army, but from the population itself, which is beginning to have confidence in the forces of order. The public also advises about the presence of Shining Path members in its communities. This is a favorable point. It is what we were waiting for," he said.

The Army's civic action program, which consists of aiding the population, is carried out by the Special Forces Division under the command of General Cesar Ramal.

This task, which began in February 1991, has been carried out in Huaycan; Horacio Zeballos, Raucana; Villa El Salvador; San Juan de Miraflores; Huarochiri; Quinches; Yauyos; Huangascar; Pisco; Chincha; and Pachacamac.

This task also is carried out in the country's interior and includes places unknown in Peru until recently.

Our source said: "Thus, the population will have confidence in the Army, and united we will be unconquerable."

Shining Path Representative Reviews Aims

PY1910002891 Lima EXPRESO in Spanish 13 Oct 91 pp A10, A11

["Exclusive" interview with Adolfo Olaechea, Shining Path representative in London, by Jorge Salazar, EXPRESO European correspondent, in London; date not given]

[Excerpts] [Salazar] You are pointed out as one of the Shining Path's powerful men, how did you reach this point?

[Olaechea] It has taken a long time. I can say that ever since I was a young man I have perceived the need for a democratic revolution, an antifeudal revolution so Peru can stop being a colonial country, a country that is managed by persons of foreign descent—in other words Spaniards and people of other nationalities including, at this time, Japanese.

[Salazar] Sorry for interrupting, but your surname is Olaechea, not Mamani or Yupanqui.

[Olaechea] That is precisely the way it is. I am one of those people.

[Salazar] In other words, it is a revolution against yourself...

[Olaechea] My struggle is against a caste that can exercise domination. Although the democratic revolution is directed at my class, it is not directed at my person. As a human being, I want to belong to a nonfeudal country that can be called a sovereign fatherland where social justice is exercised...

[Salazar] And the attacks against the Japanese?

[Olaechea] Well, this type of person is governing the country as a caste. The campesinos have been denied land, and thus, a republic of large landowners has been maintained for many years. The "criollo" [Peruvians of Spanish descent] republic, as it is called, means generalized oppression of the people. We have the problem of the Indians, despite what is said by false leftists such as [United Left Deputy Manuel] Dammert and company, who speak about neocolonialism and who maintain that Velascoism [General Raul Velasco Alvarado, de facto president 3 October 1968-29 August 1975] carried out profound reform within the country when the only thing that has been developed in the country is capitalism united with imperialism. [passage omitted]

[Salazar] Why has the Shining Path organization carried out attacks on the clergy?

[Olaechea] I think one should take into account the clergy's attacks on the Peruvian Communist Party [PCP]. The clergy is also divided into various factions: One faction is linked to the Peruvian state and blesses the tanks and forces sent to massacre the villages. These priests are obviously against the people. We counterattack those priests. We reply to their cynical, hypocritical attacks in the way they deserve. Those who act as the archbishops' servants have been killed. These people have followed Fujimori's orders to arm and encourage peasants to attack the PCP. Soutane [not further identified] will not protect priests who are involved in counterrevolutionary activities.

[Salazar] But nuns and priests are not fighting against you—at least, they are not engaged in military action against you.

[Olaechea] Not everyone is involved in a military fight. Journalists from the EL DIARIO newspaper are not engaged in a military fight, but Luis Morales was murdered. I know that the Peruvian public supports the idea of getting rid of me. If they can eliminate the noncombatant members of the revolution, they will do so. Priests act. They say: "Take the rifles, God is with you." They encourage people to struggle against the revolution.

[Salazar] I think that during 11 years of violence, the people who have endured the most suffering and who have claimed the most casualties do not belong to the antagonists. Most of the casualties have been innocent people. How is that possible?

[Olaechea] It is perfectly possible because the Peruvian state's policy since the Belaunde and Garcia administrations and under Fujimori's current government has been designed to burn and destroy everything and to kill everyone. They kill 300 innocent people in order to kill three Shining Path members. This is the policy that was advocated by Cisneros Vizquerra [retired Peruvian army general].

[Salazar] But the Shining Path also kills innocent people.

[Olaechea] I do not know. There are many people, especially policemen and former policemen, who disguise themselves as Shining Path members to kill, steal, and extort. Furthermore, the PCP has been charged with all huge massacres, and when the incidents have been clarified, it has been learned that the Army was involved in those attacks.

[Salazar] Excuse me. Many Shining Path actions—blackouts, attacks—have affected the poorest sector. The poorest people are affected the most just because the sectors that Shining Path members claim to attack are the best protected—they have security, electronic equipment, and enough money to immediately leave the country.

[Olaechea] That is true. This happens in all types of war. People understand it. It is a sacrifice that people understand perfectly. People's hatred is aimed against those who oppose the revolution. People accept this sacrifice.

[Salazar] What you say is a subtlety that a poor, ignorant people like the Peruvians cannot understand. You are wrong. People complain about these acts of violence.

[Olaechea] Well, this is one of the problems caused by the revolution. People will finally understand it, however. It is not possible to carry out a war without violence. We are not like the little children of the MRTA [Tupac Amaru Revolutionary Movement] who act as policemen. Revolution entails a cost.

[Salazar] I think that after many failures and sorrows, the only possible revolution will be one that will try to avoid suffering for the people. That will be the revolution that realizes that the human being is the most beautiful, respectable element in life.

[Olaechea] Oh! You want to prepare an omelet without breaking the eggs.

[Salazar] No. What I do not accept is the fact that a revolution has to turn into a massacre. But, this is not the issue now. How long will this nightmare last?

[Olaechea] The revolution is at the stage of strategic balance. This means that the country already has been wiped out and it is time to begin the struggle against the high-level military units. We are no longer merely guerrillas, our organization is made up of regular forces. I think that the enemy will be defeated soon, and that before the end of the century, we will establish a popular republic that, I hope, will be ruled by President Gonzalo. We are preparing to meet this objective. As soon as this occurs we will be ready to take over Peruvian embassies abroad.

Shining Path Suffers Casualties in Army Clash

PA1810193991 Madrid EFE in Spanish 1359 GMT 18 Oct 91

[Text] Lima, 18 Oct (EFE)—Military forces annihilated a column of the Shining Path terrorist group that tried to raid the city of Huanta, in the southern Andean Ayacucho Department, on 17 October. The military inflicted at least 70 casualties.

Another clash occurred in the Tingo de Ponaza area on the right side of the Huallaga River, this time between Shining Path and Tupac Amaru Revolutionary Movement (MRTA) forces. The two sides sustained a total of 15 dead, EL EXPRESO reported on 18 October.

According to the newspaper, the clash occurred between the two bands that Peruvian President Alberto Fujimori accused of being involved in drug trafficking to impose their hegemony.

The clash in Huanta occurred in the afternoon. Military sources quoted by EL EXPRESO said that the Shining Path forces had planned to attack the local authorities.

Lieutenant Colonel Gustavo Cardenas led the military forces in the clash, which occurred in Razuhuillca Hill, 40 km from Huanta.

Roundup of Terrorist Activities 2-4 Oct

PY1610025891

[Editorial Report] Following are reports on terrorist activities in Peru compiled from Peruvian papers published between 2 October and 4 Oct 1991. Publication information is given in parentheses after each item.

On 30 September, national police agents seized about 60 Instalaza rockets that were transported on an interprovincial bus heading for Tocache on the Huanuco-Tingo Maria route. After questioning all those on board the bus, police arrested the bus drivers and their assistant. (Lima LA REPUBLICA in Spanish 1 Oct 91 p 21)

Residents of Huacho and Barranca experienced hours of great fear on 30 September when alleged terrorists blew up several buildings housing banks and cooperatives; the National Running Water and Sewage Service office; and a pharmacy. (Lima LA REPUBLICA 1 Oct 91 p 21)

On 1 October, Shining Path members who had infiltrated San Marcos University built barricades on nearby streets to demand the Army's withdrawal from the university campus where the military is carrying out civic activities. Two groups totalling about 30 individuals built barricades to block traffic on nearby avenues while chanting Shining Path slogans. After this, the subversives painted university walls with subversive slogans and detonated several explosives near San Marcos stadium. Several police detachments were deployed to the area and dispersed the subversive group with tear gas and water cannons. (Lima LA REPUBLICA in Spanish 2 Oct 91 p 27)

Captain Jose Baca Manzaneda, 34, the General Police detachment chief in Villa Rica, Pasco Department, was killed when three Shining Path terrorists attacked him on 30 September. In the afternoon of 30 September, two

alleged subversives attacked and killed School Supervisor Mario Meza Aranda while he was working at Mariscal Castilla School in El Tambo District, Huancayo Province. Three Civil Defense members who were injured in a subversive attack in the central jungle area arrived in Lima today to undergo treatment at a local hospital. (Lima EL COMERCIO in Spanish 2 October 91 p A10)

The bodies of Huayllo Mayor Ubladino Quinto Arbieto; Soraya Mayor Jesus Torres Quinto; Huayllo Governor Gabriel Aybar Sotomayor; and Yanca Teacher Gabriel Espinoza Segoviau were found in a field near Chalhuanca. The four officials from districts in Aymaraes Province, Abancay Department, were kidnapped and killed by terrorists. It has also been reported that terrorists blew up the Kishuara municipal building. (Lima EL COMERCIO in Spanish 3 Oct 91 p A13)

Army troops stationed in the Raucana shantytown discovered blueprints and layouts prepared by terrorists to attack important business firms such as Cristal and Volvo, located on the main highway. The army seized documents, guns, explosives, and subversive material from a hut that had been abandoned by Shining Path terrorists after learning about the military raid. (Lima EXPRESO in Spanish 3 Oct 91 pp A10-A11)

About 59 students escaped with their lives on 2 October when a powerful dynamite charge exploded at Santa Isabel School, the oldest and largest school in Huancayo. Eyewitnesses reported that the dynamite was hurled by unidentified individuals. In addition, the body of a young farmer was found on 1 October in San Lorenzo District, 15 km from Jauja. (Lima LA REPUBLICA in Spanish 3 Oct 91 p 26)

The police have arrested terrorist Agustin Culquitante Montoya, who is responsible for the killing of an El Espinal shantytown official and for an ambush on police in Cajabamba, Lima. He was arrested at his house in Esperanza District, Trujillo. He is also responsible for the 2 June killing of peasants Jesus Aguilar Mendoza and Jose Blas Aguilar. (Lima EL COMERCIO in Spanish 4 Oct 91 p A13)

Roundup 4-7 Oct

PY1710020091

[Editorial Report] Following are reports on terrorist activities in Peru compiled from Peruvian papers published between 4 and 7 October. Publication information is given in parentheses after each item.

On 3 October, police captured four terrorists from a group of 20 who instigated the people of Villa El Salvador to seize merchandise from a soft drink delivery truck. Before being arrested, the terrorists fired shots and hurled dynamite sticks at a police car. No police casualties were reported. Terrorists Jose Martin Culquipaza and Miguel Oswaldo Culquipaza were injured during the action. In a similar action, a group of six terrorists seized another truck in the same zone. Before escaping, the terrorists left a red cloth with the sickle and hammer, which identifies the Shining Path. (Lima LA REPUBLICA in Spanish 4 Oct 91 p 27)

It was reported in Cajamarca that six terrorists died and several others were wounded in a clash with police forces in Jose Sabogal District, San Marcos Province. The clash took place over the weekend. The terrorists took four of the bodies with them. (Lima LA REPUBLICA in Spanish 4 Oct 91 p 27)

The Army seized Shining Path explosives, maps, propaganda material, and important documents from a hut in the Felix Jorge Raucana shantytown. The documents described future Shining Path operations. The Army also seized a letter reporting that more than 98,000 attacks have been staged since the creation of the Shining Path, letters from Shining Path members in which they list the crimes that they have committed, and a document that summarizes the first Shining Path congress held on 18-19 June 1989. This congress was reportedly attended by Abimael Guzman. Other documents reported eight executions by the "Raucana Discipline Committee." It has been established that an increasing number of youths have joined the Shining Path. (Lima EL COMERCIO in Spanish 6 Oct 91 Section A p 15)

Rear Admiral Edmundo Davila, head of the political-military command of the 2-A Front of Ucayali, which is run by the Navy, has reported that six terrorists were arrested a few days ago in Aguaytia. Davila noted that terrorists groups have been cornered in Padre Abad. (Lima LA REPUBLICA in Spanish 7 Oct 91 p 10)

Shining Path members attacked the village of Huinchospata in Ayacucho, killing five peasants and injuring four others. Another subversive group set fire to a bus a few kilometers from Ayacucho. These actions were staged within the past 48 hours. (Lima EL COMERCIO in Spanish 7 Oct 91 Section A p 11)

It has been reported that the police have arrested alleged terrorist Victor Taype Palomino, alias "Comrade Cholo." (Lima EL COMERCIO in Spanish 7 Oct 91 Section A p 11)

On 5 October, the population of Comas refused to join a Shining Path-sponsored looting of a local marketplace. Before escaping, the subversives stole merchandise from 15 market stands. (Lima EXPRESO in Spanish 6 Oct 91 Section A p 8)

During a combined operation at Faustino Sanchez Carrion University in Huacho, police and Army troops arrested alleged terrorists Marcelino Diomedes; Jaime Arevalo; Robin Tapia; Elias Silveiro; Nacario Cabello; Julio Mellizo Tarazona; Carlos Chumbes; and William Martinez. The security forces seized weapons, explosives, leaflets, propaganda material, red cloths, and a list of Huacho private and public offices. (Lima EL COMERCIO in Spanish 7 Oct 91 Section A p 12)

Venezuela

Acting Minister Denies Plans for U.S. Bases

PA2010143291 Paris AFP in Spanish 1526 GMT 18 Oct 91

[Text] Caracas, 18 Oct (AFP)—Acting Defense Minister Rear Admiral Rafael Daniels on 18 October said in Caracas that the installation of foreign military bases in Venezuela is not being considered.

"The installation of foreign military bases in the country has never been contemplated," Daniels stated in response to a report by the Patriotic Front, which consists of intellectuals, on an alleged agreement between the United States and Venezuela to install U.S. military bases in the country under the pretext of helping to fight drug trafficking.

The acting defense minister told the media that the Venezuelan Government is indeed holding talks with the U.S. Government, but that the objective of the negotiations is to implement plans against drug-trafficking activities according to the UN Vienna convention on drug trafficking. This convention, which establishes the exchange of information in the Caribbean Basin, was signed by Venezuela in 1988.

The United States and Venezuela began holding talks in 1987 to install radar in Venezuela to monitor planes and ships linked with drug-trafficking activities.

The radar equipment would reportedly be interconnected with similar radar stations in Peru, Ecuador, Colombia, and Mexico, under the control of the U.S. Southern Command, which is based in Panama. The U.S. Government would be the sole owner of the equipment and installations, and it would control the equipment and the information with a restricted "feedback" [preceding word in English] to the ally, which would in this case be Venezuela.

However, according to reports published by the renowned newspaper EL NACIONAL, the administration of Carlos Andres Perez reviewed the terms of the proposed agreement and, through its Armed Forces, made a counterproposal that included a credit program to buy the radar and equipment, the transfer of ownership after all payments have been made, shared and unlimited access to the information, and training of Venezuelan personnel, under the supervision and control of the Venezuelan Armed Forces.

This proposal was rejected by the United States. U.S. Secretary of State James Baker reportedly sent a message to the Ministry of the Secretariat of the Presidency, voicing concern about the "setback" in the negotiations and reiterating the position of his country to maintain ownership and unilateral control of the equipment, its operation, and the information obtained.